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October 21, 1991



Price Co. chief executive Robert Price rallies employees at opening of Wayne, N.J. club, the first of seven opening this fall. (DSN photo)

Price Opens in N.J.; 1st of 7 Fall Openings

By Tony Lisanti
WAYNE, N.J. — Without the fanfare and hoopla of its key competitor Sam's Club, Price Club quietly opened the first of seven clubs planned for this fall Sept. 28 in this major suburban shopping mecca. This comes on the heels of fourth quarter and fiscal 1991 results which showed significant revenue gains, but due to the accelerated expansion, operating margins declined.

The San Diego-based company became only the second warehouse club chain to open in the lucrative northern New Jersey market, joining B.J.'s which operates in East Rutherford about 10 miles away. Both Sam's Club and Pace also have plans to enter northern New Jersey in 1992 with clubs in Paramus, which is about 15 miles from Wayne.

In a simple grand opening
(Continued on page 46)

Wal-Mart Buys Skill In Supermarket Biz

Acquisition Fuels SuperCenter Thrust

By Arthur Markowitz
BENTONVILLE, Ark. — Wal-Mart has taken a major step to firm up the development of the Wal-Mart SuperCenter operation as a key growth vehicle by acquiring Phillips Cos., a 20-store food retailer.

Wal-Mart SuperCenters are combined discount stores and supermarkets. The Phillips acquisition denotes Wal-Mart's growing commitment to food retailing and follows its purchase of the McLane Co.,

one of the nation's largest food and general merchandise wholesaler/distributors (see DSN, Oct. 15, 1990, page 3).

Privately held Phillips, headquartered in Bentonville, has stores in 15 Arkansas communities, 14 of which also have Wal-Marts, and many of them are in the same strip centers.

The Wal-Mart SuperCenter operation is one element in Wal-Mart's diversification from its traditional discount store business to meet the
(Continued on page 46)

The Incredible Shrinking Ames: 371 Units Remain

77 Store Closings to Benefit Kmart, Wal-Mart, Hills

By Pete Hisey
ROCKY HILL, Conn. — Ames' decision to close 77 more money-losing stores after Christmas, which was announced earlier this month, will mean the company will shrink to less than 400 stores, and virtually exit the Midwest, where 48 of the closings will take place.

Ames will close all 12 Indiana stores, all 22 Ohio stores and four of 13 Michigan stores.

The company maintains that it will benefit in immediately increased profitability. Chairman Stephen Pistner noted, "The closings will reduce our losses and improve operating cash flow."

However, the real gainers, according to an analysis of the markets Ames is abandoning, are Kmart, Wal-Mart, Hills, Quality Farm & Fleet, Harts, Click Stores, Fishers Big Wheel, and to a lesser extent, Value City, Meijer, Conley's, Target and Lancaster Sales. Each chain competes in at least one county or MSA market with a closing Ames.

The impact will probably be felt the greatest by Kmart, which currently has 60 stores competing against the closing Ames locations, of

which 30 are direct, in-town competitors.

Wal-Mart has 17 stores in competition, 12 of which are direct competitors; Hills has 20 stores, 10 which are direct competitors; Fishers has 17, with three directly competitive; Quality has 13, of which nine compete directly; Click has 11, with five direct competitors; Value City has seven, with three direct competitors; and Harts has six, also with three direct competitors.

Ames has also reduced its presence in Connecticut (two stores closed), Delaware (three stores closed), Kentucky (one), Maryland (four), Massachusetts (six), New Hampshire (two), New York (five), Pennsylvania (one), Virginia (nine) and West Virginia (six). Only in Virginia and West Virginia, however, do the closings significantly affect the chain's overall presence; roughly one-third of Ames' stores in each state will close.

The closings hardly come as a surprise. Many observers expect Ames to ultimately resemble the Ames of the early 1980s, before it acquired the G.C. Murphy and Zayre chains, becoming
(Continued on page 46)

POWER BRANDS

Key Brands Achieve 'Power' Status, According to Exclusive DSN Survey

NEW YORK — Thirty-four brands have been identified as "Power Brands" for 1991, based on exclusive research conducted by Leo J. Shapiro & Associates for Discount Store News.

The Power Brands Index measures brand strength and performance within 18 merchandise categories, based on two independent studies conducted among retailers and consumers. The Top Brands Part I study, which appeared in the Oct. 7 issue of DSN, surveyed 300 discount store managers who were asked to identify "top performing brands" by merchandise category. Retailers named a total of 1,222 brands. The second part of

the study, which appears in this issue, surveyed 902 consumers who were asked to identify "preferred" brands when shopping at a discount store. Consumers named a total of 974 brands.

In order to be considered a Power Brand, a brand had to achieve an index of 110 or higher in both the retailer and consumer study. An index of 100 represents the average acceptance among the Top 10 consumer and retailer brands.

The No. 1 Power Brand is Cannon with a PBI of 594, followed by Kodak (PBI 548) and Stanley (PBI 380). The table on page 21 ranks all 34 Power Brands by their PBI.

(Continued on page 23)

10 Leading Power Brands Of Discount Retailing

Brand	PBI*
Cannon	594
Kodak	548
Stanley	380
Corning	379
Mead	362
Black & Decker	338
Maybelline	303
Rubbermaid	302
Tide	282
Mattel	278

*PBI = Power Brand Index
Source: DSN/Leo J. Shapiro & Associates

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MARKETWATCH

Bradlees Parent Going Public

BRAINTREE, Mass. — Stop & Shop Co., parent of Bradlees discount stores, has filed a registration statement with the SEC for an initial public offering of 17 million shares of common stock. Kohlberg, Kravis, Roberts & Co., which led a leveraged buyout of the company in 1988, will retain 59% of Stop & Shop shares. Proceeds from the new offering, with shares expected to run from \$14 and \$16 a share, will be used to retire debt. The firm operates 117 Stop & Shop Supermarkets and 130 Bradlees Discount Department Stores. Consolidated retail sales for the first two quarters, ended Aug. 17, were \$1.1 billion, up 3.1% compared to a year ago. Bradlees operating profits for the first half were \$14.9 million compared to \$4.3 million a year earlier.

Summer CES Really Going 'Public'

CHICAGO — Exhibitors at the Summer Consumer Electronics Show this May won't have empty aisles to kick around anymore, as up to 100,000 actual consumers will invade the show over its final day and a half. The show, to be held Thursday, May 28 to Sunday, May 31, at the McCormick Center facility will allow consumers to walk the show on Saturday afternoon and all day Sunday. Exhibitors and attendees will also find this show to be a bit kinder to the pocketbook; most area hotels have agreed to lower room prices by an average of 20% or more. And, additional concessions from unions will lower the cost of exhibiting by some \$300,000 spread over approximately 1,000 exhibitors.

Windy City No Breeze for Waban

NATICK, Mass. — Waban will close the four BJ's Wholesale Clubs in Chicago by year-end because of their "disappointing performance," and convert three units into HomeClub warehouse home centers, Waban president John F. Levy said. Waban set aside a \$5.5 million reserve to cover closing costs. The announcement came as Waban filed a registration statement with the SEC to sell 4 million shares of stock that would raise about \$80 million.

Filene's Basement Likes Chicago Better

WELLESLEY, Mass. — Filene's Basement opened its first stores in the Chicago market this month. The two units, one in the suburb of Gurnee and one a flagship store in downtown Chicago, are part of a proposed 10 units slated for the area. A third store in Schaumburg, Ill., will open next month. The expansion to the Midwest is the first phase in its plan to double the number of stores over the next three years. Filene's Basement, which went public earlier this year, has 36 stores primarily in the Northeast.

Woolworth Solidifies Stance in Big Apple

NEW YORK — Woolworth reached a definitive agreement with Plymouth Lamston Stores Corp. for the acquisition of 25 Lamston stores. As previously reported (DSN, Sept. 23, page 1), 20 of the roughly 7,000-square-foot units are in Manhattan, with the rest in nearby boroughs. The acquisition brings the total number of Woolworth and Woolworth Express stores in the Greater New York area to 108.

Disabilities Act Subject of IMRA Confab

WASHINGTON — Retailers concerned about their responsibilities under the new Americans with Disabilities Act should attend the Store Planning and Design Conference sponsored by the International Mass Retail Association, Nov. 20 to 22, at the Intercontinental Hotel, Miami. The act, which will be the subject of a workshop and seminars, will begin to take effect, in gradual stages, Jan. 26, 1992.

Sprouse-Reitz Appoints New Management

PORTLAND, Ore. — Sprouse-Reitz Stores, the 193-unit variety store chain, named Timothy P. Foster, a former executive with Montgomery Ward, Target and Fred Meyer, as vp, administration and systems. Other recent management changes include the appointment of Donald Tripp, president and ceo; Don Bock, corporate special projects director; Michael Mulholland, executive vp; and Lee Dambis, vp, real estate. The management changes and other restructuring efforts were approved by the chain's principal bank, which recently renewed its line of credit through the fourth quarter. Sprouse is searching for alternative sources of financing in 1992 because the bank does not plan to renew the line into 1992. The restructuring calls for a return to profitability during the fourth quarter of fiscal '91, and the closing of 75 units.

Venture to Unveil New Look

Discounter Opening 4 Stores in New Markets

By Mary Ellen Kelly

O'FALLON, Mo. — Venture Stores will unveil a new prototype format next month, revealing management's untethered view of what the former May Department Store division's retail identity should be.

While four stores were opened in the 1990 fiscal year—the chain's first year separate from the influence of May—the units are expected to set a new retailing tone.

The four concurrent store openings will be designed in the firm's prototype. While details about all of the stores were not available at press time, the stores will open as

follows: one in Tulsa, Oklahoma; one in Waterloo, Iowa; and two in the Des Moines, Iowa, market area. The grand opening is scheduled to take place Nov. 11.

The Tulsa store, at 96,000-square-feet, is somewhat smaller than the chain's 100,000-square-foot average; the size of the other three stores is believed to be in the 90,000-square-foot to 100,000-square-foot range. Each of the new stores will include a slight modification of the zebra-like stripes that characterize the Venture logo, according to a source close to the chain.

Each of the store openings represents a new market for

Venture, although the 80-unit chain does have four stores in Oklahoma and two in Iowa already. Tulsa is Venture's first Oklahoma store outside its four store Oklahoma City hub.

The firm announced plans to open eight stores during the 1992 fiscal year and another eight in 1993, including an attack of several new states.

Venture's spin-off from May Co. was completed Nov. 3, 1990. For the fiscal year ended Feb. 2, 1991, Venture reported net profits of \$34.5 million, up 9% from net earnings of \$31.7 million during fiscal 1989. Sales rose 6% to \$1.4 billion from \$1.3 billion the previous year.

Stuarts' Reorganization Looms

FRANKLIN, Mass. — Stuarts Department Stores expects to present a plan of reorganization to its creditors by mid-November. The Northeast chain has been operating under Chapter 11 since December 1991.

As the fine points of the plan are ironed out, Stuarts is continuing to revamp its operations and in October completed remodeling two Rhode Island stores, bringing to six the total of redesigned units. President Joseph Ettore said he expects 15 of Stuarts' 20 units will be remodeled by March of 1992.

Stuarts began the remodeling effort earlier this year. It coincided with new emphasis on promotions and a greater commitment to the local communities where it operates.

The financial results of the changes are not entirely clear. Stuarts runs stores in one of the economically hardest hit areas of the country.

According to Ettore, September sales were poor, but he expects the company will break even for the month. He saw signs of improvement in early October with a successful radio promotion. "We're doing so many things, I'd hate to see what business was like if we weren't doing as much," he said.

Overall, second quarter financial results show marginal improvement for Stuarts.

For the second quarter, ended Aug. 3, the company recorded a net profit of \$371,000, compared to a net loss of \$167,000 for the same period last year.

For the 26 weeks ended Aug. 3, the net loss

Remodeling, a frequent shopper program and new coupon ads are being used by Stuarts to help build customer loyalty

was \$253,000. For the same period last year, the net loss was \$300,000.

Total sales for the first half of the year totaled \$51.5 million, compared to \$71.1 million in the first half of 1990. The decrease reflected the closing of three stores in January.

The company's cost of sales in the first half decreased to 70.6% compared to 72% for the same period last year.

The results were below company expectations, although a company statement insisted that Stuarts "is on target in achieving our profit projections for the year."

Ettore said that remodeled stores were on or above their projections. The biggest boost to these units has been the placement of children's wear—one of Stuarts' strongest categories—to the front of the store. The jewelry section previously up front was moved to the Sights and Sounds area, where one person is responsible for both departments.

This customer-friendly remodeling, or "resetting" as Ettore refers to it, is part of an overall effort by Stuarts to build community loyalty among the markets it serves.

Among other things, a Frequent Shopper program where credit toward another purchase was awarded to buyers spending a certain amount, was just completed and is under consideration as a Christmas promotion.

Another enticement has been a couponing program that will continue, according to Ettore. "Coupons are a way to get shoppers in the store the fourth and fifth day after an ad," he said.

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EDITORIAL

PBI Measures Real Brand Strength

The measurement of the success of a brand has always been simply—consumer awareness. Marketers believe that the more people that know about their particular brand, the greater success that brand will achieve. However, that's only half of the equation. And oftentimes marketers and retailers ignore the other half, and possibly rely too heavily on consumer awareness. The attitude is "stack it on the shelves, and they will buy."

As popular as a brand can be among consumers, it must be strong among the companies and people that sell it. The process of getting a product on the shelf is more complex than ever and every aspect from billing to shipping must be negotiated and executed before a consumer even has the chance to make a buying decision.

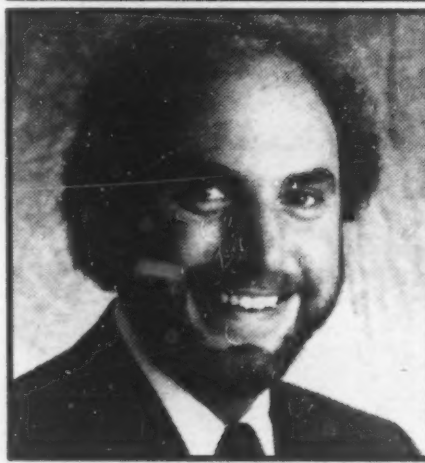
Therefore, the best measurement of brand success is a combination of retailer and consumer recognition. And based on this theory, *Discount Store News* has developed the exclusive Power Brands Index (PBI).

"It is this balanced superiority that makes a particular

brand a 'Power Brand,'" commented George Rosenbaum, president of Leo J. Shapiro & Associates, the Chicago-based research firm that conducted the brand surveys. A total of 34 brands achieved "Power Brand" status. (See page 21).

Several brands—such as Levi's, Nintendo, Suave, Clairol, OshKosh, Fram and Papermate—achieved a high preference among discount store consumers, but did not achieve a comparable position among retailers. Obviously, these brands are strong and successful, but one must examine the reasons why they didn't achieve a strong recognition among retailers. Albeit some of these brands don't have direct distribution to discount retailers, but maybe it's time for some companies to realize this huge market with unlimited potential.

Regardless, the long-term viability of a brand in a competitive marketplace in which retailer-vendor partnerships are essential can no longer be measured solely on consumer awareness, but must also be measured on retailer recognition. This equation will be the true measurement of success for retailers and vendors in the 1990s.



TONY LISANTI
Editor

BUYERS & SELLERS

Coup Doesn't Quash Interest in Soviet Ties

DSN has received enormous feedback from the highly successful Russian Round Table it sponsored this summer. *DSN* has been flooded with inquiries from suppliers and wholesalers eager to do business in the Soviet Union.

Amazingly, the interest has not slackened a bit since the unsuccessful coup attempt.

Prior to the Aug. 19 coup, "the economic situation in the Soviet Union was really difficult," said Dr. Igor Pogosov, first deputy chairman of the State Committee of the USSR for Statistics, in a recent interview with *Financial & Business News from the USSR*. "Crisis was evident: decline in production, monetary system in ruins, depreciated ruble, runaway inflation and inter-republican economic ties in disarray with many republics seeking full independence."

Added Dr. Jury Yaremenko, the USSR president's economic advisor, "the very existence of the powerful military and industrial complex, the mighty Armed Forces and the KGB left no room for normal economic life. Resource drain

was characteristic of the Soviet economy."

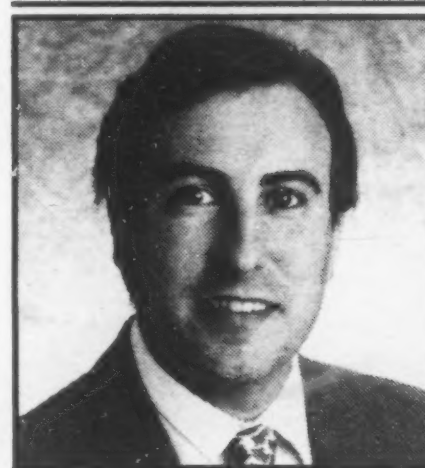
Despite sowing the seeds of further unrest, the failed coup appears to have opened the door even wider for U.S.-Soviet business opportunities. Hasbro, which opened a sales office in Budapest, Hungary, now has an agent in Russia looking into

the possibility of getting a partner for the toy manufacturer, which would join GTE, Reynolds Aluminum, *Reader's Digest*, Colgate-Palmolive, Estee Lauder, Johnson & Johnson, PepsiCo, Phillip Morris, Tambrands and other U.S. firms that have business dealings with the Soviet Union.

And, the Soviets appear to view the failed coup as a sign that real, lasting change is taking place. Pogosov predicts further economic decline in the months ahead, but asserts that

the decline can be checked if "the old economic and political system is liquidated and the market mechanism is created."

The main problem of the U.S. businessmen is in taking that first step in finding a Soviet partner. Toward that end, *DSN* is gathering information to help you make that key contact.



DON LONGO
Exec Editor

IMRA PRESIDENT'S CORNER

House Passes Badly Flawed Price-Fixing Bill

In a vote on an issue that goes to the heart of mass retailing, the U.S. House of Representatives Oct. 10 approved a resale price-fixing bill—but in a seriously flawed form. The House passed H.R. 1470, the "Price-Fixing Prevention Act of 1991," but with an amendment that would harm, rather than advance, competition and the well-being of consumers and the economy. The House wisely rejected one amendment which would have opened up numerous loopholes. However, it failed to block another amendment that, in the unlikely event it were ever to become law, would undermine long-standing safeguards for competition.

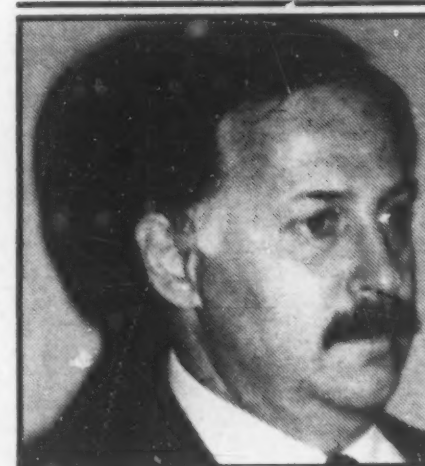
Pressured by a powerful group of opponents (including some Administration officials, many large business groups, individual manufacturers, some higher-priced distributors and highly effective small business organizations), the House added to H.R. 1470 an amendment, offered by Rep. Tom Campbell (R-Calif.), that masqueraded as a "small business" defense to shelter small businesses from becoming embroiled in resale price-fixing disputes. In reality, the Campbell amendment would give immunity to any price-fixer that lacked "market power"—a term undefined in the amendment, but which courts

and the Justice Department guidelines have interpreted as meaning a market share of 30%, 40%, 50%, or even higher.

Few companies approach that massive market share, so nearly all would be insulated against challenge. Unfortunately, the House—and arguably some of the amendment's backers—found the subject too incomprehensible or controversial to look beyond the misleading "small business" label. In contrast, the Senate, earlier this year, for the first time passed a vastly different bill.

With the House passing a diametrically opposed bill, the stage is set for a House-Senate conference to see if the huge differences between the two bills can be ironed out. If so, the conference report would be sent back to be approved by the House and Senate, and forwarded to the President's desk.

IMRA members have long communicated to Congress the not easily explained or understood obstacles that ill-considered Supreme Court rulings have placed in the way of enforcing the clear law against resale price-fixing. Despite the setback, IMRA will continue serving the specific interests of mass retailers in protecting their business rights and the interests of the consumers we serve.



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TOP BRANDS

Part II: Consumer Survey

Consumer Brand Preference Slackens

By Don Longo

Perhaps it's a reaction against the status-conscious, brand-driven mentality of the 1980s. Or, maybe it's a reflection on a grow-

ing lack of brand loyalty. For that matter, maybe consumers feel there really isn't that much difference between the major brand names in most product categories sold by a discount department store.

Whatever the reason, DSN's 1991 Top Brands Con-

sumer Survey shows that Americans are expressing a lower degree of brand name preference in many departments. Compared to last year, fewer consumers were able to name a preferred brand in 13 of 18 major product categories covered by the survey. The

drop-off in brand preference was most noticeable in domestics, where only 34% of respondents named a preferred brand vs. 57% who did so last year, and women's apparel, where 43% named a preferred brand vs. 63% last year.

The stationery department also registered a major drop-off in brand preference: only 46% could name a brand they wanted to buy vs. 62% a year ago. A double-digit percentage point decline in brand preference was also recorded in sporting goods.

Historically, brand preference was at its lowest level since 1988, when the consumer portion of the Top Brands Survey was inaugurated. In 1988, an average of 71% of consumers had a brand preference. The percentage peaked in 1989 at 75%; dropped a bit to 72% in 1990, and fell to 66% this year.

Only five product categories saw an increase in brand

preference. Greeting cards experienced the biggest jump, climbing 11 points to 62%. Cosmetics, traditionally a category in which women have exhibited a high degree of brand preference, was up 7 percentage points as 89% of fe-

(Continued on page 23)

POWER BRANDS

34 Products Named 'Power Brands,' According to Exclusive DSN Study

(Continued from page 1)

"The Power Brands have achieved the combination of high recognition by the discount store retailer and high acceptance by the consumer," explained George Rosenbaum, president of Leo J. Shapiro and Associates. "It is this balanced superiority that makes each brand a Power Brand."

To illustrate how the PBI is computed, consider Cannon as an example. Among the Top 10 brands identified by retailers in the domestics category, the average percent of retailers that mentioned a Top 10 brand was 14.3%. Cannon was mentioned by 66% of the respondents, or nearly five times the average for an index of 465. Among the Top 10 most preferred consumer brands, the mean preference was 10.1%. Cannon was mentioned by 73.5%

of consumers surveyed, or more than seven times the average for an index of 724.

Both the retailer index of 465 and the consumer index of 724 were then averaged giving Cannon an overall Power Brand Index, or PBI, of 594.

There are several strong brands which achieved top rankings with the retailer or the consumer but not with both audiences and therefore did not make the Power Brands list, Rosenbaum explained.

For example, he pointed out that American Greetings enjoys a strong identity with the retailer, but is relatively weak with the consumer. In contrast, Hallmark achieved strong consumer preference, but retains only a nominal position with the discount store retailer.

Power Brands of Discount Store Retailing

	Index*		Index*
Cannon	594	Hanes ²	195
Kodak	548	Wilson	189
Stanley	380	Fruit of the Loom	180
Corning/Corelle/Visions	379	M&M/Mars	177
Mead	362	Pennzoil	171
Black & Decker ¹	338	Revlon	165
Maybelline	303	Norelco	158
Rubbermaid	302	Quaker State	157
Tide	282	Spalding	151
Mattel	278	Vidal Sasson	146
Conair	258	O'Sullivan	142
Bic	253	Clorox	141
Cover Girl	249	Zebco	138
Crest	227	Colgate	129
Fisher-Price	217	Hershey's	126
Sony	217	Chic	121
Gitano	195	Panasonic	121

*Index: 100 equals the average acceptance among the Top 10 brands by retailers and consumers.

¹Black & Decker achieved power brand status in both housewares and hardware.

²Hanes is a power brand in both men's and women's apparel.

Source: DSN/Leo J. Shapiro and Associates, Inc.

Consumer Snapshot I

Departments Where Consumers Have a High Degree of Brand Preference

(% of discount store shoppers with a brand preference)

Photo & Camera	94%
H'hold Cleaners	92%
Cosmetics	89%
H&BC	85%
Candy & Snacks	79%

Source: DSN/Leo J. Shapiro & Associates

Top Consumer Brands

Automotives 35	Housewares 30
Quaker State	Rubbermaid
Pennzoil	GE
Fram	Black & Decker
Children's Apparel 26	Ladies' Apparel 24
Levi's	Hanes
Hanes	Levi's
OshKosh	Gitano
Consumer Electrics 29	Men's Apparel 24
Sony	Levi's
Nintendo	Hanes
Panasonic	Fruit of the Loom
Cosmetics 26	Personal Care 30
Maybelline	Conair
Cover Girl	Norelco
Revlon	Clairol
Domestics 33	Photo, Camera 33
Cannon	Kodak
Pepperell/Lady	Polaroid
Pepperell/Westpoint	Fuji
Food, Candy, Snacks 41	Sporting Goods 35
Snickers	Wilson
Hershey	Spalding
M&M/Mars	Zebco
Greeting Cards 40	Stationery 40
Hallmark	Bic
American Greetings	Mead
Sangamon	Papermate
Hardware 38	Toys 38
Stanley	Mattel
Black & Decker	Fisher-Price
GE	Teenage Mutant Ninja
Health & Beauty Care 41	Turtles
Crest	
Suave	
Colgate	
Household Cleaners 29	
Tide	
Comet	
Clorox	

Discount store shoppers nationwide named their preferred brands in 18 merchandise categories, in a poll conducted for Discount Store News by Leo J. Shapiro & Associates.

TOP BRANDS: PART II

Consumer Brand Preference Slackens

(Continued from page 21)
male respondents named a brand they wanted most in the department.

The other departments that registered increases in brand preference were toys (68%), health & beauty care (85%, fourth highest overall), and household cleaners and chemicals (92%, second highest overall).

Consumers showed the highest degree of brand preference in photo & camera, where 94% named a specific brand, a one point decline from a year ago.

The 1991 Consumer Top Brands Survey, conducted in August for DSN by Leo J. Shapiro & Associates, a Chicago-based market research firm, also revealed that discount stores, overall, are doing an excellent job of supplying their shoppers with the brands they want.

Consumers were asked to rate the likelihood of finding their preferred brands in a discount store on a scale of 1 to 9 (1 = "not likely to find," 9 = "sure to find"). The 1991 survey found a significant increase in the average rating of confidence that consumers had in finding the brands they want: 7.43 on the scale com-

pared to 7.31 in 1990.

In fact, consumers are almost completely confident of finding the brands they want in a discounter's health & beauty care department, which recorded a rating of 8.29 on a scale of 1-to-9. They are also extremely confident of being satisfied in stationery, photo & camera, cosmetics, candy & snacks, household cleaners and personal care appliances.

Discounters have work to do in the following departments, where consumers expressed a distinct lack of confidence in finding their preferred brands: hardware, consumer electronics, women's apparel, sporting goods, men's apparel and children's wear.

Consumers' preference for private label goods declined even more dramatically than their interest in name brands. The percentage of discount store shoppers expressing a preference for private label was down in every category surveyed except two: automotives (where it was the same as last year) and hardware (an increase of 2 percentage points).

However, two new product

categories added to this year's survey, but not included in the overall results because of the lack of year-to-year data for comparisons, exhibited high degrees of preference for private label. Thirty-six percent of shoppers expressed a preference for private label ready-to-assemble furniture—the highest percentage in the survey—while 31% sought private label in hard window treatments.

A key feature of DSN's Consumer Top Brands Survey is its analysis of what happens when a store doesn't have the shopper's preferred brand in stock. Will she buy another brand instead? Or, will she skip making the purchase entirely?

The study found that in certain categories, consumers will likely purchase a substitute brand if their preferred brand is not available. These categories include: stationery, children's apparel, greeting cards, domestics, candy & snacks, and glasses & dishware.

However, in many departments, the discounter runs a great risk of losing the sale, and perhaps alienating the customer from other purchases. Departments where the shopper is more likely to skip the purchase entirely include: cosmetics, men's apparel, sporting goods, women's apparel, automotives, photo & camera, consumer electronics and hard window treatments.

Consumer Snapshot 2

Departments Where Consumers Have a Low Degree of Brand Preference

(% of discount store shoppers with a brand preference)

RTA Furniture	21%
Window T'ments	23%
Domestics	34%
Women's Apparel	43%
Children's Apparel	44%

Source: DSNLeo J. Shapiro & Associates

Consumer Snapshot 3

Departments Where Consumers Don't Feel Confident of Finding the Brands They Want

(Mean rating on scale of 1-9, 1 = 'not likely to find'; 9 = 'sure to find')

Hardware	6.65
CE	6.68
Women's Apparel	6.74
Sporting Goods	6.91
Men's Apparel	7.00

Source: DSNLeo J. Shapiro & Associates

Consumer Snapshot 4

Departments Where Consumers Feel Confident of Finding the Brands They Want

(Mean rating on scale of 1-9, 1 = 'not likely to find'; 9 = 'sure to find')

H&BC	8.29
Stationery	7.29
Photo	7.81
Cosmetics	7.79
Candy & Snacks	7.78

Source: DSNLeo J. Shapiro & Associates

Consumer Snapshot 5

Departments Where Consumers Express High Preference for Private Label

(% of shoppers expressing a preference for private label)

RTA Furniture	36%
Hardware	34%
Window T'ments	31%
Children's Apparel	20%
Automotives	17%

Source: DSNLeo J. Shapiro & Associates

Consumer Snapshot 7

Departments Where Consumers Would Buy Another Brand If Their Preferred Brand Is Not Available

(% of discount store shoppers willing to switch brands)

Stationery	72%
Children's Apparel	63%
Greeting Cards	62%
Candy & Snacks	56%
Domestics	54%

Source: DSNLeo J. Shapiro & Associates

Consumer Snapshot 8

Departments Where Consumers Would Skip Making a Purchase If Their Preferred Brand Is Not Available

(% of discount store shoppers who would skip purchase if preferred brand was unavailable)

Cosmetics	66%
Men's Apparel	63%
Sporting Goods	61%
Women's Apparel	61%
Automotives	60%
Photo	60%

Source: DSNLeo J. Shapiro & Associates

Consumers Across America: Who's Shopping, And Where

NEW YORK — DSN's exclusive 1991 Top Brands Survey of Consumers is based upon telephone interviews conducted in August with 902 individuals across the country.

Consumers were asked to name the brands they would buy in each of 23 product categories sold by a discount store. Detailed year-to-year comparisons are available on 18 of the product categories, as well as comparisons with DSN's 1991 Top Brands Retailer Survey, a research report also conducted in August among discount store managers who were asked to name their best performing brands in each product category.

Both studies were conducted by Leo J. Shapiro & Associates, a Chicago-based research firm. The consumer study, as it appears exclusively in DSN, is unique in that it represents the brand preferences of discount store shoppers. Results are limited to those consumers who shopped at discount stores at least three times in the past year.

Figures Don't Lie

Lawn & Garden Distributor,
increased overall customer base
Dollar Sales: +72%
Retail Accounts: +33%

TEKNOR APEX revolutionized the way garden hose was sold with its new APEX merchandising system last year. Recognized by industry experts, the system was awarded first place in the Merchandise Display Category at the 1990 Show.

Now the results are coming in from the field: Retailers and wholesalers in every region of the country are reporting impressive gains in unit sales, and, most important, profit!

Consumers aren't confused anymore. Thanks to the APEX merchandising system, they can find and choose the hose that's right for them, quickly and easily. And they've got confidence they're making the right choice. Why?

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We make it easy for retailers, too. With a system that simplifies ordering and reduces inventories. With 8', 12' and 16' pre-packs balanced to meet a retailer's everyday and promotional garden hose needs. Backed with customized,

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Home Center, achieved higher profit margin
Unit Sales: No Change
Gross Profit: +39%

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Pawtucket, RI 02861

TOP BRANDS: PART II

APPAREL

Managers Stay In Tune With Apparel Shoppers

Discount store managers seem most in tune with their female shoppers, according to the latest Top Brands Consumer Survey. Though not named in the same order, virtually all of the brands mentioned as top performers by managers, were also mentioned as favorites by consumers.

For the second year in a row, Hanes, Levi's and Gitano led the consumer's list.

At the Top 3 retailers, Hanes was named most often by shoppers at Kmart and Target, while Levi's got the

most mentions at Wal-Mart.

Wal-Mart shoppers seemed the most brand-conscious. Wal-Mart shoppers defined a greater number of brands as preferred than shoppers at the other retailers. Overall, 32% of those questioned said they were confident that they would be able to find the brands they want at the discount store they shopped most.

However, the news was not all good. The fact that there is difficulty in the women's market came out loud and clear in this consumer study. There was a large 20 percentage

point drop in the number of women that expressed any preference in brands. More than half of those questioned said they had no brand preference.

In past years, a drop in brand preference meant a rise in the preference for private label goods. But not this year. The same 20 percentage point drop occurred among those expressing a preference for a private label. A mere 15% of women asked said they had a preference for a private label, compared to 35% a year ago. In the apparel categories, children's wear shoppers were most accepting of private labels.

This information confirms the evidence of a tough climate for women's wear apparel. Industry observers are blaming a lack of a fashion direction for the blight as much as they are blaming an ongoing recession.

Of those respondents that did name a preferred brand, the women's area was the one apparel category where managers and consumers agreed most often on brand names.

The only newcomers to the consumer list were Wrangler and Playtex. They replaced Bobbie Brooks and Calvin Klein as favored brands.

Although Wal-Mart's own Bobbie Brooks line did not make the Top 10, another pri-

Top Ladies' Apparel Brands Store Managers vs. Shoppers	
Managers	Consumers
Gitano	Hanes
Hanes	Levi's
Lee	Gitano
Chic	Chic
Fruit of the Loom	Fruit of the Loom
Jaclyn Smith	Lee
Playtex	Jaclyn Smith
Levi's	L'eggs
Bobbie Brooks	Wrangler
Wrangler	Playtex
Top 10 rankings in each category are based on discount store managers' response to the question: "What are your best performing brands in (department)?" and discount store consumers' response to the question: "If you were shopping for (product) in discount department stores, which brand of that product would you want?"	
Source: DSN/Leo J. Shapiro & Associates	

Consumer Brand Preferences In Ladies' Apparel				
Top Brands	Discount Shoppers	Kmart	Wal-Mart	Target
Hanes	14%	13%	14%	19%
Levi's	12	11	14	6
Gitano	11	9	11	10
Chic	9	9	12	3
Fruit of the Loom	8	9	8	9
Lee	6	5	7	7
Jaclyn Smith	6	7	6	5
L'eggs	5	7	5	8
Wrangler	3	2	5	4
Playtex	3	3	—	4
Source: DSN/Leo J. Shapiro & Associates				

vate label brand did inch its way up in the current listing.

Kmart's Jaclyn Smith label was mentioned by 6% of shoppers, compared to 4% of shoppers that named it last year. That placed it right behind Lee on the chart. Part of Jaclyn Smith's success may be due to its expanding markets. Earlier this year, petites were added to the line.

When asked what they would do if they could not find the brand they wanted, 39%

said they would switch brands. This was down from 47% that said they would switch in the 1990 survey.

More in line with the economic climate in women's apparel, 61% of respondents said they would skip the purchase if they did not find their preferred brand. Some may read this as showing great brand loyalty in this market, but unfortunately, it may simply mean women are spending less money.

Top Three Brands Show Their Muscle in Men's Wear

The men's category in DSN's 1991 Top Brands Consumer Survey succeeded in giving Hanes and Levi's a sweep in the apparel categories. The two brands were, according to shoppers, the favored brands in every apparel area.

They also got the most mentions of any brands in the apparel categories.

Just over 30% of all shoppers mentioned Levi's in the men's area; while 23% of the total mentions in men's wear went to Hanes.

Wrangler and Fruit of the

Loom made strides in men's as well, and were the two additional brands that were mentioned in every apparel category. These have muscle in both the consumers' and managers' charts.

Consumers did mention a number of brands that managers did not place as highly. Specifically, Arrow, Van Heusen, Dickie and BVD were mentioned often by consumers, but were not on managers' Top 10 lists.

This was the first time consumers mentioned Van Heusen enough times to make the

Top 10 on the consumer chart. Other newcomers to the consumer list included Wrangler and Bugle Boy.

Bugle Boy, primarily a department store brand, was placed highly by both consumers and managers in the 1991 list.

Wrangler, which fell off the consumers' Top 10 in 1990, was named top brand by store managers.

The Top 3 brands were the real story in the men's category. Together Levi's, Hanes and Fruit of the Loom garnered 71% of all mentions, with the small remainder spread out among the seven other brands.

This was true among individual stores as well. At Kmart, the Top 3 got 61% of the mentions. At Target, they received 73% of the mentions. Only at Wal-Mart were more brands beneficiaries of shoppers' mentions.

Though they have switched positions in the last four years, Levi's, Hanes and Fruit of the Loom have been in the men's wear top spots throughout that time.

Perhaps because of the strength of these Top 3 brands—all considered apparel basics—the shoppers responding to this category showed more of a brand preference than any other apparel

Top Men's Apparel Brands Store Managers vs. Shoppers	
Managers	Consumers
Wrangler	Levi's
Fruit of the Loom	Hanes
Hanes	Fruit of the Loom
Lee	Wrangler
Levi's	Arrow
Bugle Boy	Bugle Boy
Gitano	Van Heusen
Rustler	Lee
Brittania	Dickey
Manhattan	BVD
Top 10 rankings in each category are based on discount store managers' response to the question: "What are your best performing brands in (department)?" and discount store consumers' response to the question: "If you were shopping for (product) in discount department stores, which brand of that product would you want?"	
Source: DSN/Leo J. Shapiro & Associates	

Consumer Brand Preferences In Men's Apparel				
Top Brands	Discount Shoppers	Kmart	Wal-Mart	Target
Levi's	30%	29%	26%	30%
Hanes	23	23	24	28
Fruit of the Loom	18	20	17	15
Wrangler	8	8	11	5
Arrow	8	8	10	6
Bugle Boy	5	5	6	5
Van Heusen	3	2	1	3
Lee	2	1	1	2
Dickey	2	2	2	3
BVD	2	3	—	4
Source: DSN/Leo J. Shapiro & Associates				

area. A full 66% of those questioned said they had a brand preference in men's wear. This result was far higher than either children's wear (44%) or women's wear (49%).

This coincided with a drop in the number of consumers willing to switch men's wear brands. In the current survey, only 37% of shoppers said they would switch if they could not find the brand they wanted, compared to 57% of shoppers that were willing to switch

in last year's survey.

While these shoppers are adamant about their brands, they do not believe these labels are easily found in the discount stores they shop.

About 31% of respondents said they were confident they could find their brands of choice at the store they shopped most. This was a 5 percentage point drop from the confidence level in 1990—the largest drop of any apparel category.

TOP BRANDS: PART II

APPAREL

Maybelline Regains Top Spot in Cosmetics

Nearly nine out of 10 women have a specific brand preference when buying cosmetics at a discount department store. Only household cleaners and photo had a higher brand preference.

Maybelline reclaimed the No. 1 ranking from Cover Girl this year, with 33% of women naming the brand as their preferred choice, compared to 26% who named Cover Girl. Last year, Cover Girl and Maybelline tied for the top spot, each with 25% of mentions.

Discount stores are apparently doing a satisfactory job of supplying female shoppers with the brands they want most. According to the survey, more than half said they were "sure" they would be able to find the brands they want at the discount store they shop at most often. On a scale of 1 to 9 (1 = "not likely" to find; 9 = "sure" of finding their preferred brand), cosmetics received a mean rating of 7.79, the fourth highest of the categories surveyed.

Few women are interested in private labels, with only 1% expressing a preference.

The study reveals that stores that do not stock a wide selection of the most preferred brands will most likely lose sales. Only about one-third of consumers would buy another brand if their store did not have the one they wanted. The other two-thirds, would skip the purchase altogether if the store did not

stock the brand they wanted.

The standings of the top brands were relatively stable among shoppers at the three largest discount store chains—Wal-Mart, Kmart and Target. At all three chains, Maybelline was named most often as the preferred brand. Revlon edged out Cover Girl for the No. 2 position at Target, and L'Oreal received its highest rate of mentions among Wal-Mart customers.

Consumer Brand Performance In Cosmetics

Top Brands	Discount Shoppers	Kmart	Wal-Mart	Target
Maybelline	33%	32%	35%	31%
Cover Girl	26	28	27	22
Revlon	18	18	14	26
Clarion	6	6	7	7
Max Factor	6	6	5	5
L'Oreal	5	5	10	2
Almay	4	4	3	4
Clairol	4	4	5	2
Avon	3	3	2	1
Sally Hansen	3	3	3	4

Source: DSN/Leo J. Shapiro & Associates

Top Cosmetics Brands
Store Managers vs. Shoppers

Managers	Consumers
Maybelline	Maybelline
Cover Girl	Cover Girl
Revlon	Revlon
L'Oreal	Clarion
Max Factor	Max Factor
Noxell	L'Oreal
Almay	Almay
Clairol	Clairol
Clarion	Avon
Coty	Sally Hansen

Top 10 rankings in each category are based on discount store managers' response to the question: "What are your best performing brands in (department)?" and discount store consumers' response to the question: "If you were shopping for (product) in discount department stores, which brand of that product would you want?"

Source: DSN/Leo J. Shapiro & Associates

Children's Wear Brands Play Musical Chairs

Children's wear shoppers are extremely fickle, according to DSN's 1991 Top Brands Consumer Survey. Four new names appeared on the category's Top 10 chart compared to last year and only five of the brand names matched brands mentioned by store managers as top performers.

Consumers also seemed hard pressed to pick a favorite brand.

In the No. 1 and 2 positions, Levi's and Hanes were each mentioned by 12% of the respondents. In the No. 3 and 4 spots, OshKosh and Fruit of the Loom each garnered 10%

of the mentions in the survey.

These Top Four brands far outpaced the remaining mentions. But even further down the list, the race was close.

Not surprisingly, consumers also said they would switch children's wear brands if their preferred choice was not available. Just over 63% of those questioned said they would switch. This was down slightly from 69% in last year's survey. Only 37% said they would skip the purchase if their brand was not available.

At the same time, 46% were confident of finding their favorite brand at the discounter they shopped most often.

There were a number of differences between brands mentioned by store managers and this consumer survey. While Levi's was most often on the minds of consumers, it did not make the Top 10 list of store managers' best performing brands.

Huggies, Nike, Reebok and Buster Brown were also missing from the managers' charts. It should be noted, however, that the latter three are considered upscale brands. Consumers may be familiar with these brands through other retail outlets.

In addition, Huggies, Nike, Gerber and Wrangler were new to the consumer's Top 10.

At individual stores, results were very similar to the overall Top 10. Levi's and Hanes topped the list at Kmart, Wal-Mart and Target.

The only aberration at Wal-Mart was Gitano. In the managers' survey, 10% of Wal-Mart executives named it as a top performer in children's wear. Wal-Mart shoppers did not mention it at all. The brand does better with both managers and consumers in other apparel categories.

Consumer Brand Preferences
In Children's Apparel

Top Brands	Discount Shoppers	Kmart	Wal-Mart	Target
Levi's	12%	12%	12%	12%
Hanes	10	12	8	9
OshKosh	10	10	8	10
Fruit of the Loom	10	10	6	3
Huggies	6	6	6	8
Nike	5	3	8	6
Gerber	5	4	9	4
Reebok	4	4	7	2
Buster Brown	3	2	5	4
Wrangler	3	3	4	—

Source: DSN/Leo J. Shapiro & Associates

Top Children's Apparel Brands
Store Managers vs. Shoppers

Managers	Consumers
Fisher-Price	Levi's
Lee	Hanes
Wrangler	OshKosh
Fruit of the Loom	Fruit of the Loom
Gerber	Huggies
Liberty	Nike
Gitano	Gerber
Hanes	Reebok
Curity	Buster Brown
OshKosh	Wrangler

Top 10 rankings in each category are based on discount store managers' response to the question: "What are your best performing brands in (department)?" and discount store consumers' response to the question: "If you were shopping for (product) in discount department stores, which brand of that product would you want?"

Source: DSN/Leo J. Shapiro & Associates

Kids love
covering
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Sockyard Company
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(212) 947-6295

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turning
in French
Toast.

Sleepwear by French Toast.
You don't eat 'em. You wear 'em.

Inner World
1333 Broadway, Suite 315
New York, NY 10018
(212) 532-7780

TOP BRANDS: PART II

HOME PRODUCTS

At the Big 3, Different Name Brands Clean Up

The distinct buying and promotional strategies of Wal-Mart, Kmart and Target contributed to wide differences in consumer preference for name brands in the household cleaners and detergents category. Tide, which was a top brand with all consumers, was especially preferred by consumers who shopped Wal-Mart most often. Other laundry cleaners such as Cheer, All and Clorox were sought by Target shoppers more than by Kmart and Wal-Mart customers. Downy and Wisk were preferred by Kmart customers. Broadly speaking, these are also the brands that each of the chains are likely to promote in household cleaner departments. Kmart shoppers were more apt to single out a household cleaner brand that they preferred than were shoppers of Target or Wal-Mart. Of Kmart shoppers, 93% stated a brand preference. Among the preferred "brands" of Kmart shoppers are the chain's private label selections. In fact, among Kmart shoppers, the private label was a sought-out brand more often than were national brands like Cheer, Mr. Clean and Ivory.

Consumer Brand Preferences In Household Cleaners

Top Brands	Discount Shoppers	Kmart	Wal-Mart	Target
Tide	32%	29%	32%	26%
Comet	14	14	15	15
Clorox	13	13	14	19
Windex	10	10	12	8
Dawn	9	8	9	6
Lysol	9	9	10	10
Pine-Sol	7	8	9	4
Ajax	7	8	6	8
Cheer	5	4	5	9
Mr. Clean	5	4	7	7

Source: DSN/Leo J. Shapiro & Associates

Target shoppers, in contrast, had the lowest level of preference for brand names of the three chains, but were nonetheless more likely to name lesser-known brands. More than one-fourth of Target shoppers preferred a household cleaner other than the 40 most commonly mentioned brands. Private label carried little weight with Target customers. Wal-Mart shoppers were most likely to name one of the top 40 brands as the one they prefer, with less than one out of five people mentioning a lesser-known household cleaner.

Consumers were more apt to have a brand preference for household cleaners than for any other category in the survey, with the exception of photo & camera. More than one out of every 10 consumers said they had a specific brand of household cleaner they shop for, compared with one out of eight for candy & snacks for example, or one in six for housewares.

But consumers are less certain that they will find the brand they want in the discount store they shop most. Between 1990 and 1991 there was a 10 percentage point decline in the number of shoppers who said they were sure they could find the household cleaner brand they wanted,

Top Household Cleaners Brands Store Managers vs. Shoppers	
Managers	Consumers
Tide	Tide
Clorox	Comet
Procter & Gamble	Clorox
Windex	Windex
Cheer	Dawn
Dow	Lysol
Purex	Pine-Sol
Dawn	Ajax
Lysol	Cheer
Formula 409	Mr. Clean
Top 10 rankings in each category are based on discount store managers' response to the question: "What are your best performing brands in (department)?" and discount store consumers' response to the question: "If you were shopping for (product) in discount department stores, which brand of that product would you want?"	
Source: DSN/Leo J. Shapiro & Associates	

the lowest level the category has had since the survey was first undertaken in 1987.

Perhaps the disparity between store managers' views of their top performing brands and consumers' most preferred brands provides a clue as to why consumers are not finding what they want on the shelves.

Nearly half of the brands consumers prefer most were not considered to be among the top performers in the category, according to store man-

agers. Comet, for example, was the second-most frequently preferred brand by consumers, but store managers did not rank Comet among their top performers.

The willingness to switch to another brand, however, softened the effects of not being able to find the preferred brand. More than half of all consumers said they would try another brand rather than forgo a purchase of household cleaners, the highest level ever recorded in the survey.

Consumers Often Can't Find Their Preferred CE Brands

For the third consecutive year, Sony was the consumer electronics brand most sought after by discount store shoppers. Nintendo also made significant headway with consumers. Overall, there was considerable movement within the Top 10 chart compared to last year, with Zenith, JVC, Sharp and Eveready replacing Magnavox, Sanyo, Memorex and Pioneer in the chart's lower reaches.

Several brands, notably Sony, Nintendo and Panasonic, increased their visibility over last year, but the largest gainer, perhaps, was "no preference." More than 25% of consumers said that they had no preferred brand in the category, a surprisingly high total (and the highest for the category ever) given the widespread advertising and publicity associated with the product area. Last year, more than four of five consumers had a preferred brand. Consumers were also strongly convinced that even if they did prefer a brand, they wouldn't be able to find it in a discount store. Asked how confident they were of finding their preferred brand, only 28% strongly believed that they would find it at their local discounter, the second-lowest

confidence rating in the store. This might reflect shortages of popular video games over the past two years, as well as the traditional lack of upper end brands and higher-quality goods from middle tier brands. Sony, for instance, is well-represented in the portable audio section of discount stores and not nearly so well in large-screen televisions. Consumers had absolutely no interest in private label consumer electronics goods, with only 1% (the lowest figure in the store) saying that

they prefer private label goods. However, apart from a handful of accessories and lower-end electronics like personal stereos, private label presence in the industry at the discounter level is nearly nonexistent anyway. Electronics consumers are relatively unwilling to switch brands when they do have a preference, with only about four of 10 saying that they'd consider another brand if the one they want is out of stock or not carried. That means, of course, that six of 10 would go

somewhere else. Given average ticket value of the those decisions, discounters not stocking top brands or running into out-of-stock problems could be hurt badly. With very few exceptions, top brands performed uniformly across the top three discount chains. The only significant variation was Nintendo, which performed very well at Wal-Mart and relatively poorly at Target. Panasonic performed better with Target

consumers than with other shoppers, but not by a large margin. In raw numbers, consumers were aware of a surprising number of brands. In all, 34 brands were named by at least one shopper, ranging from Apple to IBM to Toshiba to Samsung. Discount staples, like Yorx and Soundesign, were also mentioned relatively frequently at Kmart and Wal-Mart, but were not mentioned at all by Target shoppers.

Consumer Brand Preferences In Consumer Electronics

Top Brands	Discount Shoppers	Kmart	Wal-Mart	Target
Sony	22%	23%	20%	27%
Nintendo	14	16	18	10
Panasonic	10	9	10	12
General Electric	7	7	5	9
RCA	6	5	8	6
Zenith	5	5	6	5
JVC	5	5	7	4
Sharp	5	5	6	6
AT&T	4	4	6	—
Eveready	4	3	2	2

Source: DSN/Leo J. Shapiro & Associates

Top Consumer Electronics Brands Store Managers vs. Shoppers

Managers	Consumers
Emerson	Sony
General Electric	Nintendo
Sony	Panasonic
Panasonic	General Electric
RCA	RCA
Magnavox	Zenith
AT&T	JVC
Nintendo	Sharp
Sanyo	AT&T
Sharp	Eveready

Top 10 rankings in each category are based on discount store managers' response to the question: "What are your best performing brands in (department)?" and discount store consumers' response to the question: "If you were shopping for (product) in discount department stores, which brand of that product would you want?"

Source: DSN/Leo J. Shapiro & Associates

TOP BRANDS: PART II

HOME PRODUCTS

Consumers At Home With Branded Housewares

Consumers brand preference in housewares was less than in any previous year, but loyalty to certain core labels remained unshaken.

Only 58% of consumers could name a housewares brand that they prefer, compared with a high of 70% in 1989.

Part of the problem could be a rising doubt that they will find what they are looking for as they shop the housewares department. Consumers were generally less confident about finding the housewares brand they wanted in their local discount store than they were back in 1988. Over 40% said they were sure they would find the desired brand in 1988, but only 35% felt certain they would find it now.

Still, all in all, loyalty to the preferred brands remained fairly constant. As through the past four years, roughly half of all shoppers would decide not to make a purchase than switch to another brand.

Even among private label housewares, which had an upward curve from 1988 through 1990, "brand" loyalty has fallen in the latest survey. In 1990, 16% of consumers expressed a preference for private label, but this year the level slid back down to 1988 levels of 9%. Part of the explanation could be a de-

Consumer Brand Preference In Housewares				
Top Brands	Discount Shoppers	Kmart	Wal-Mart	Target
Rubbermaid	12%	11%	9%	14%
General Electric	9	10	9	7
Black & Decker	7	6	5	8
Corning	6	7	5	3
Cannon	6	6	5	7
Mr. Coffee	5	5	6	5
Ekco	5	5	3	5
Corelle	4	5	6	3
Revere	4	5	2	4
Sunbeam	4	3	4	5

Source: DSN/Leo J. Shapiro & Associates

cline in the number of chains offering private label housewares, and a rise in the number of chains which have developed an in-house brand that the consumer might not recognize as a private label.

While the general trend was down among private label housewares, Wal-Mart shoppers were somewhat more likely to name a store brand than Kmart shoppers and twice as likely as a Target shopper. More than one out of every 10 Wal-Mart shoppers said they would look specifically for a Wal-Mart private

label within housewares.

Retailers and consumers pretty much agree on the department's top brands, but there are exceptions. For one thing, Ekco, manufacturer of bakeware and gadgets, was mentioned quite often by consumers both in 1991 and historically. Store managers, in contrast, have not found Ekco to be among their top performers for the past two years.

Also, the high recognition of the Revere brand among consumers is not mirrored among store managers; Revere has never been among the Top 10

Top Housewares Brands Store Managers vs. Shoppers	
Managers	Consumers
Rubbermaid	Rubbermaid
Black & Decker	General Electric
Proctor-Silex	Black & Decker
Tucker	Corning
Mirro	Cannon
Mr. Coffee	Mr. Coffee
Sterilite	Ekco
General Electric	Corelle
Corning	Revere
Corelle	Sunbeam

Top 10 rankings in each category are based on discount store managers' response to the question: "What are your best performing brands in (department)?" and discount store consumers' response to the question: "If you were shopping for (product) in discount department stores, which brand of that product would you want?"

Source: DSN/Leo J. Shapiro & Associates

housewares brands since DSN began the survey in 1987.

Half of consumers had a preferred glassware or dinnerware brand; this was the first year consumers were asked specifically about that housewares segment. Ready-to-assemble furniture was also given its own breakout for the first time, and one out of five people could name an RTA brand they preferred.

In glassware and dinnerware, Corning brands re-

mained high. In fact, even Corning products which fall into the cookware/bakeware category were said to be a preferred brand. Four of the seven glassware or dinnerware brands that were mentioned by consumers are made by Corning.

Both of the two beverage suppliers listed were more frequently mentioned by Wal-Mart shoppers than by customers of both Kmart and Target.

Personal Care Appliances Plug Into Consumer Loyalty

Brand loyalty is on the rise among shoppers of personal care appliances. More than half of consumers participating in DSN's annual Top Brands Survey said they would rather forego the appliance purchase than switch to another brand—the highest level of brand loyalty recorded in the five years that DSN has been conducting this survey.

Luckily, retailers continue to excel in their ability to provide consumers with the

brands they want most, as evidenced by rising consumer confidence levels. Consumer confidence in finding the personal care brand they want most at the discount store they shop most often was at an all-time high this year.

A full 45% of consumers said they were sure they would find what they were looking for in personal care appliances when they shopped. Last year only 29% surveyed were that confident.

Consumers have a right to

be confident because, with few exceptions, retailers and consumers were in agreement as to which were the leading brands in personal care appliances.

Norelco, which went from hardly a mention to one of the leading performing brands among store managers in a year's time, apparently delivered its marketing message to consumers as well. While Norelco was named by 14% of consumers this year, during the past two years the brand was named by only 4% of those surveyed.

Further indication of the agreement between retailer and shopper is the strength of Conair. For the past three years both of the survey populations said Conair was unshakably the No. 1 personal care appliance brand.

Braun Gains Ground

But there were exceptions to this like-mindedness. Braun, which never has been among store managers' top performing brands, has been a long-standing favorite among consumers. During each of the past three years, Braun was

among the 10 most frequently mentioned consumer brands.

Differences among brand strength at specific chains were far-flung. Wal-Mart consumers generally named brands that Kmart and Target shoppers did not. For instance, 13% of Wal-Mart shoppers said Gillette was a preferred brand, while only 5% of Kmart shoppers and no Target customers said Gillette was their preferred personal care appliance brand.

Norelco, in contrast, was preferred by Kmart and Target shoppers rather than Wal-Mart's at nearly a 2-to-1 rate. As with all of the merchandise categories studied in the survey, the brands purchased and promoted by these chains is a contributor to consumer response.

Private label appliances were a much smaller factor this year than last, dropping back down to 6% after a 13% blip in the 1990 response rate, probably due to short-term test programs.

Wal-Mart had the highest percentage of shoppers opting for private label this year; 9% said "Wal-Mart" would be the preferred brand in the personal care department. Wal-Mart shoppers were also more likely to mention a brand other than the Top 15 as their preferred brand.

Top Personal Care Appliances Store Managers vs. Shoppers	
Managers	Consumers
Conair	Conair
Norelco	Norelco
Vidal Sassoon	Clairol
Remington	Vidal Sassoon
Windmere	Remington
Clairol	Gillette
Jerri-Redding	Sunbeam
Black & Decker	Braun
General Electric	Black & Decker
Proctor-Silex	General Electric

Top 10 rankings in each category are based on discount store managers' response to the question: "What are your best performing brands in (department)?" and discount store consumers' response to the question: "If you were shopping for (product) in discount department stores, which brand of that product would you want?"

Source: DSN/Leo J. Shapiro & Associates

Consumer Brand Preferences In Personal Care Appliances				
Top Brands	Discount Shoppers	Kmart	Wal-Mart	Target
Conair	23%	21%	22%	36%
Norelco	14	18	10	20
Clairol	14	9	14	15
Vidal Sassoon	14	13	10	13
Remington	9	9	11	11
Gillette	8	5	13	—
Sunbeam	7	9	9	4
Braun	5	6	6	6
Black & Decker	3	4	5	2
General Electric	3	2	3	4

Source: DSN/Leo J. Shapiro & Associates

TOP BRANDS: PART II

HOME PRODUCTS

Strong Brand Loyalty Develops in Photo Market

Consumers in a discount store's photo department have very definite brand preferences, with over 19 of 20 saying that they have a particular brand in mind when they shop.

At the same time, their confidence in finding that brand has eroded slightly, perhaps due to increased use of off-brand and private label film. Last year, 58% of consumers said they felt sure of finding their preferred brand at their local outlet, with a mean rating on a scale of 1 to 9 (with nine the most certain) of 7.97, the highest rating of any department. This year, the fig-

ures slipped to 55% with a mean confidence rating of 7.81, third storewide.

That's still pretty solid, but this occurs as many other departments were making gains. Health & beauty care, toys, cosmetics, housewares, stationery, apparel and others all showed gains.

Only about 40% of photo shoppers, one of the lowest percentages in the store, said that they would switch brands if their preferred one was out of stock. This is down sharply from the 49% who said they would last year. Clearly, brand preference translates very quickly to brand loyalty

in this department.

And, to which brands are consumers loyal? As the chart indicates, there are no major surprises. Kodak was the runaway leader, with Polaroid and Fuji trailing by a considerable margin.

By outlet, Target shoppers named Kodak by an overwhelming margin, with nearly nine of 10 naming the brand; however, Fuji, Eveready and Duracell also did better than average at the upscale discount. Polaroid performed poorly at Target, but relatively well at both Kmart and Wal-Mart, while Fuji was a favorite at Target. Duracell also performed better with Target consumers than with shoppers at other outlets.

Private Label Preference

Consumers were asked if they preferred private label products in any of several departments; only 4% expressed a preference for private label photo goods, despite widespread store brand programs at most mass merchandisers, with Kmart and Target leading the pack. This compares to the 34% who preferred private label hardware, for instance, or the 20% who looked for private label kid's apparel.

Apart from the top three film brands and Canon, which improved its perception industrywide this year, there were considerable differences

Top Photo & Camera Brands
Store Managers vs. Shoppers

Managers	Consumers
Kodak	Kodak
Canon	Polaroid
Polaroid	Fuji
Minolta	Duracell
Fuji	Canon
Pentax	Eveready
Vivitar	Scotch/3M
Nikon	Minolta
Sony	Panasonic
Olympus	Sony

Top 10 rankings in each category are based on discount store managers' response to the question: "What are your best performing brands in (department)?" and discount store consumers' response to the question: "If you were shopping for (product) in discount department stores, which brand of that product would you want?"

Source: DSN/Leo J. Shapiro & Associates

Consumer Brand Preferences
In Photo & Camera

Top Brands	Discount Shoppers	Kmart	Wal-Mart	Target
Kodak	80%	80%	82%	88%
Polaroid	7	8	7	3
Fuji	5	5	1	9
Duracell	5	5	5	7
Canon	5	5	5	3
Eveready	4	5	1	6
Scotch/3M	2	1	3	3
Minolta	2	2	2	1
Panasonic	1	2	1	—
Sony	1	1	—	—

Source: DSN/Leo J. Shapiro & Associates

between the preferences of consumers and the perceived performance of brand names as seen by store managers. The managers cited established hardware brands like Vivitar, Pentax, Nikon and Olympus, while consumers noted accessory brands like Duracell and Eveready, probably reflecting the fact that these are brands they shop for every day, while managers concentrated on the margin results of higher-ticket photo goods.

Overall, consumers seemed

to be more aware of brands other than Kodak, Fuji and Polaroid, perennial top finishers in this survey. The increased penetration of camcorders into the American household seems to have been reflected this year, as traditional photo brands dipped slightly, and camcorder-type brands like Sony and Panasonic increased their share slightly. That trend has been building over the past two years, and should continue to do so as the camcorder becomes a part of everyday life.

Cannon is Brand of Choice for Most Domestic Shoppers

Cannon was the most preferred brand of discount store shoppers looking to buy domestics in 1991. However, only about one-third of respondents had any brand preference at all in the department, one of the lowest figures in the store. Nearly three quarters of respondents named Cannon as their preferred brand.

Focusing on just bath towels and on sheets/pillowcases, Cannon was an even easier winner, with more than four of

five respondents citing the brand. In window treatments, only Levolor and Kirsch received any mentions.

Overall, domestics shoppers were confident of finding the brands they prefer at discount stores. About four of 10 said they were "sure" of finding their favorite brand, and the mean rating on a scale of 1 to 9 was 7.51, above average.

And, just to make things a bit easier on discounters, more than half said that they would be willing to switch

brands if the one they wanted wasn't in stock. And, 12% said that they preferred private label goods, possibly a reflection of the success of Target's Country Estates and Kmart's Martha Stewart programs.

The high level of brand-switching behavior is probably attributable to the increased fashion in discount domestics departments; consumers increasingly buy what looks good, not brand names. That may also contribute to the private label results.

Overall, consumers and discount store managers tended to name the same brands as top performers (in the case of managers) and preferred brands (in the case of consumers). Gloria Vanderbilt had a much higher consumer preference rate than it had as a top performer with store managers. And, discount retailers predictably failed to mention Martex, a popular consumer brand available only at department and specialty stores. Otherwise, differences were negligible.

On a chain-by-chain basis, there were small differences. Wal-Mart shoppers, for instance, did not mention either WestPoint Pepperell or Martex, which finished second and third overall.

While consumers as a whole

said that they would only rarely buy private label goods (preferences not borne out by reported buying behavior), they were more likely to consider private label home fashions. Except towels. Only 10% preferred private label towels.

However, 36% said that they preferred private label RTA furniture, 31% preferred private label window treatments, and 18% preferred

store brand sheets and pillowcases; those are the three highest percentages in the entire store. Overall, 12% said that they preferred private label domestics products. Of course, many consumers were unaware of brand names in two of those three categories, so private label probably doesn't have the same brand presence to overcome as in most other departments.

Consumer Brand Preferences In Domestics

Top Brands	Discount Shoppers	Kmart	Wal-Mart	Target
Cannon	74%	74%	74%	77%
Pepperell/Lady Pepperell/Westpoint	4	4	—	3
Martex	4	5	—	3
Fieldcrest	3	4	7	—
J.P. Stevens	2	2	4	4
Burlington	1	1	3	3
Gloria Vanderbilt	1	1	—	—
Spring Maid	1	1	—	—
Dan River	1	1	—	—

Source: DSN/Leo J. Shapiro & Associates

Top Domestic Brands
Store Managers vs. Shoppers

Managers	Consumers
Cannon	Cannon
J.P. Stevens	Pepperell/Lady Pepperell/Westpoint
Pepperell/Lady Pepperell/Westpoint	Martex
St. Mary's	Fieldcrest
Spring/Spring Mills	J.P. Stevens
Dan River	Burlington
Fieldcrest	Gloria Vanderbilt
Martha Stewart	Spring Maid
Beacon	Dan River
Dundee Mills	—

Top 10 rankings in each category are based on discount store managers' response to the question: "What are your best performing brands in (department)?" and discount store consumers' response to the question: "If you were shopping for (product) in discount department stores, which brand of that product would you want?"

Source: DSN/Leo J. Shapiro & Associates

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TOP BRANDS: PART II

HARD LINES

Wilson Still No. 1 With Consumers

Although Brand Preference Down in Sporting Goods in 1991

Consumers are sending a mixed message regarding their sporting good brand preferences.

On one hand, they express a pronounced disinterest in private label sporting goods, with only 3% preferring them over national brands, down from 13% in 1990.

Only the shoppers for toys, consumer electronics and cosmetics exhibited a lesser preference for private label goods, 1% each in the 1991 Top Brands survey of consumers.

Yet, sporting goods shoppers failed to exhibit a particularly strong brand preference, compared to other categories, with the percentage favoring any particular brand declining for the second year in a row.

In the 1991 survey, 56% named a favorite brand, down from 67% in 1990 and 71% in 1989. Adding the 3% who preferred private label to the 44% who preferred no brand means that almost half of the shoppers questioned had no favorite sporting goods brand.

In addition, those who did prefer a particular brand said their confidence in finding that brand fell for the second year in a row. Only 28% of shoppers who expressed a brand preference felt sure they would find that brand at their discount store, down from 33% last year and 40% in 1989.

On a scale of 1 to 9, where one is "unlikely" to find their favorite brand and nine is "sure" to find, the mean response dipped to 6.91 from 6.96 in 1990 and 7.22 in the 1989 survey.

Moreover, private label



Eighteen percent of Target shoppers named Wilson their preferred sporting goods brand. (DSN photo)

Sporting goods brand managers could take some comfort, however, in the slight decline in the percentage of shoppers who said they were willing to switch to another brand if their favorite were unavailable, along with an attendant increase in the percentage who said they would walk out empty-handed rather than switch.

In the 1991 survey, 39% said they would be willing to switch. In comparison, the percentage of switchers had held steady at 47% in 1988 and 1989 and dipped only two percentage points to 45% in 1990.

The Top 10 rankings also indicated relatively weak brand followings, with favorites spread all over the ballpark. Wilson was No. 1 among consumers, but only 13% said it

(Continued on page 36)

Consumer Brand Preferences In Sporting Goods

Top Brands	Discount Shoppers	Kmart	Wal-Mart	Target
Wilson	13%	14%	14%	18%
Spalding	11	10	11	10
Zebco	7	6	10	5
Remington	7	6	9	3
Coleman	6	6	4	11
Penn	6	6	4	8
Top Flite	4	2	7	3
Nike	4	4	2	6
Rawlings	4	4	2	2
Louisville Slugger	4	4	5	3

Source: DSN/Leo J. Shapiro & Associates

Top Sporting Goods Brands Store Managers vs. Shoppers

Managers	Consumers
Coleman	Wilson
Wilson	Spalding
Zebco	Zebco
Spalding	Remington
Igloo	Coleman
Garcia	Penn
Shimeno	Top Flite
Daiwa	Nike
Rubbermaid	Rawlings
Diversified	Louisville Slugger

Top 10 rankings in each category are based on discount store managers' response to the question: "What are your best performing brands in (department)?" and discount store consumers' response to the question: "If you were shopping for (product) in discount department stores, which brand of that product would you want?"

Source: DSN/Leo J. Shapiro & Associates

Auto Parts Buyers Stay Brand Loyal

Purchasers of auto parts and accessories are less confident this year than last about finding their favorite brands in discount stores and more apt to walk out empty handed rather than switch to another brand.

Moreover, private label

automotive products are no more popular today than they have been over the past two years. And in a major divergence from the opinions of store managers, Quaker State moved up to become the favorite brand of consumers, although it slipped to fourth

place in the minds of store managers.

In the 1991 consumer survey, 41% of DIY customers said they were sure they could get their favorite brands at a

discount store, down from 49% in the past two years. On a scale of 1 to 9, where one is "unlikely" to find their favorite brands and nine is "sure" of

(Continued on page 36)

Consumer Brand Preferences In Automotives

Top Brands	Discount Shoppers	Kmart	Wal-Mart	Target
Quaker State	20%	22%	16%	13%
Pennzoil	19	19	16	21
Fram	18	18	20	20
Valvoline	11	10	12	13
AC-Delco	8	8	10	9
Turtle Wax	8	7	7	8
Castrol	8	9	10	7
Prestone	6	6	9	6
Havoline	6	6	4	6
Armor All	5	5	4	7

Source: DSN/Leo J. Shapiro & Associates

Top Automotive Brands Store Managers vs. Shoppers

Managers	Consumers
Pennzoil	Quaker State
Havoline	Pennzoil
Prestone	Fram
Quaker State	Valvoline
Turtle Wax	AC-Delco
Valvoline	Turtle Wax
Armor All	Castrol
STP	Prestone
Fram	Havoline
Castrol	Armor All

Top 10 rankings in each category are based on discount store managers' response to the question: "What are your best performing brands in (department)?" and discount store consumers' response to the question: "If you were shopping for (product) in discount department stores, which brand of that product would you want?"

Source: DSN/Leo J. Shapiro & Associates

TOP BRANDS: PART II

HARD LINES

Auto Parts and Accessories Buyers Stay Brand Loyal

(Continued from page 35) finding, the mean slipped to 7.48 from 7.67 in 1990.

Although less certain of finding their brands, consumers appear more determined than last year to walk rather than switch. In the 1991 sur-

vey, 40% said they would switch to another brand and 60% said they would skip the purchase. That's about the same as the 1988 switch/skip ratio of 43% to 57%.

In last year's Top Brands Survey, 49% of consumers

said they would be willing to switch if their favorite automotive brands were unavailable, while 51% said they would leave empty handed.

As for private labels, only 17% of consumers said they preferred them over national

brands, while 73% expressed brand preferences. That was the same percentage as in the 1990 and 1989 surveys but higher than the 12% of respondents who expressed a preference for private label goods in 1988.

In their brand preference

rankings, Quaker State narrowly edged out Pennzoil, 20% to 19%, in the Top 10 rankings, while Fram placed a close third with 18%. That was the first time in four years that Quaker State edged out Pennzoil and marked a considerable improvement over its 13% share and second place rating among consumers in 1990.

Quaker State was more popular among Kmart shoppers, 22% of whom named it their preferred brand, than with Target customers, 13%, and Wal-Mart, 16%. On the other hand, No. 2 Pennzoil was more popular with Target shoppers, 22%, than Wal-Mart's, 16%, and Kmart's, 19%.

In sharp contrast to consumer preferences, Pennzoil was the overwhelming favorite of store managers this year, garnering 40% of top brand mentions, while Quaker State slipped to fourth place from second, with 31% of mentions.

Fram also is a more potent brand name among consumers than store managers in this year's survey. Managers in 1991 reduced the air and oil filter brand to ninth place, with 12% of top brand mentions, from third place and 25% in 1990.

In another significant variation, consumers ranked Havoline, which now is close to becoming the second best selling motor oil brand, in a sixth place tie with Prestone in their thinking.

Consumers still regard AC-Delco as one of their Top 10 brands, placing it in a three-way tie for fifth place with Turtlewax and Castrol. In contrast, AC-Delco slipped off the managers' Top 10 list.

Wilson Still No. 1 Brand Preferred By Consumers

(Continued from page 35) was their preferred brand, compared to 39% of store managers who named Wilson as one of their top performing brands, ranking it No. 2 at retail.

Wilson was a bit more popular with Target shoppers, 18% of brand preferences, than at Kmart and Wal-Mart, each with 14%. Store managers had placed Coleman as their No. 1 top brand, giving it 54% of total top brand mentions.

In contrast, consumers put Coleman in a fourth place tie with Penn (racket sports), with 6% naming each as their favorite brand.

Consumers placed Spalding in the No. 2 spot, with 11% naming it as their favorite brand. In addition, 4% named Top Flite, Spalding's golf ball brand, as their preference in a four-way tie for fifth place with Nike, Rawlings and Louisville Slugger. Managers placed Spalding fourth on their Top 10 chart, with 30% of all mentions.

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TOP BRANDS: PART II

HARD LINES

Hardware Shoppers Not Nailed to Their Brands

Brand loyalty seems to mean far less to hardware shoppers than to those buying from other hard lines categories.

Of consumers surveyed for the 1991 Top Brands study, 34% prefer private label hardware goods to national brands, compared with 17% for automobiles and 3% for sporting goods.

In addition, only a quarter of consumers were confident they would find the national brands they want in stores.

Although Stanley and Black & Decker (B&D) came out No. 1 and No. 2 in the consumer survey, as they did with store managers, they don't own the category as with retailers. Among consumers, 21% preferred Stanley, compared to 77% of managers. And 17% of consumers mentioned B&D, against 74% of managers.

Among Wal-Mart shoppers, 20% of 109 preferred B&D, compared with 17% of 85 Target customers responding and 15% of 172 Kmart shoppers.

A preference for Stanley was more even among Big Three customers: 20% of Kmart shop-

Consumer Brand Preferences In Hardware				
Top Brands	Discount Shoppers	Kmart	Wal-Mart	Target
Stanley	21%	20%	19%	18%
Black & Decker	17	15	20	17
General Electric	8	9	8	10
Skil	4	3	5	6
Dutch Boy	4	4	2	3
Glidden	3	3	3	2
DuPont	1	1	—	1
Rubbermaid	1	1	—	—
Duracell	1	1	—	—
Lucite	1	1	—	—

Source: DSN/Leo J. Shapiro & Associates

pers, 19% of Wal-Mart and 18% of Target shoppers.

And the last four brands on the Top 10 chart, DuPont, Rubbermaid, Duracell and Lucite, each made it with 1% or less of the 207 shoppers who expressed a brand preference.

Shoppers placed General Electric in the No. 3 slot, with 8% of mentions, while 3% of managers named the brand as

a top performer, at No. 7.

In contrast, store managers had placed Glidden in third place. But both consumers and managers assigned Skil to the No. 4 slot on the Top 10.

On a scale of 1 to 9, with one "unlikely" to find and nine "sure" to find, only 26% were sure of finding preferred hardware brands in discount stores, an erosion of confi-

Top Hardware Brands Store Managers vs. Shoppers	
Managers	Consumers
Stanley	Stanley
Black & Decker	Black & Decker
Glidden	General Electric
Skil	Skil
Dutch Boy	Dutch Boy
Lucite	Glidden
Sherwin Williams	DuPont
General Electric	Rubbermaid
Rubbermaid	Duracell
Bull Dog	Lucite

Top 10 rankings in each category are based on discount store managers' response to the question: "What are your best performing brands in (department)?" and discount store consumers' response to the question: "If you were shopping for (product) in discount department stores, which brand of that product would you want?"

Source: DSN/Leo J. Shapiro & Associates

dence from 31% in 1990, 36% in 1989 and 37% in 1988. The mean rating was 6.65 in 1991, down from 6.88 last year.

However, 42% said they would switch brands, less than last year's 47%. In 1989, 54% of consumers said they would switch brands if they

couldn't find their preference, while the remaining 46% would skip the purchase.

In just three years, the ratio of switch to skip has almost reversed itself in favor of less brand switching and more walking out if favored brands are unavailable.

Shoppers Don't Play Around With Different Toy Brands

With the lack of a blockbuster toy to lure people into toy departments, shoppers are relying more on the reputation of individual toy manufacturers.

According to results of DSN's 1991 Consumer Brands Survey, toy shoppers are among the most brand conscious consumers. When asked if they shop with a specific brand in mind, more than two-thirds (68%) said they do, up from 62% last year.

The most brand conscious shoppers were at Kmart and Target. Seven of 10 shoppers at both chains expressed a preference for branded toys compared to six of 10 Wal-Mart customers.

Kmart shoppers are so brand conscious they mentioned 21 brands as preferred labels, compared to 14 for Wal-Mart shoppers and 12 for Target customers.

Only 1% of consumers preferred private label toys, the same response given in cosmetics and consumer electronics.

A year ago, 9% of toy shoppers said they preferred private label toys.

This year, two-fifths of consumers mentioned a toy brand other than the top 21 labels. A large number of lesser-known national brands and local and regional labels are making an impact at retail even if their individual response level doesn't measure up to making

the top brands list.

In fact, 21% of Kmart shoppers, 22% at Wal-Mart and 12% at Target mentioned a toy brand classified as "other."

For the fourth year, Mattel was named by more consumers as their preferred toy brand, by a 32% to 19% margin over No. 2 Fisher-Price. Teenage Mutant Ninja Turtles, a license that has taken on national brand dimensions, was third, with products named by 10% of consumers.

Nintendo showed up on the toy list this year for the first time, ranked fourth, and named by 9%. Like Ninja Turtles and Nintendo, Parker Brothers was also a newcomer to the consumers' Top 10 list.

Hasbro did not make the Top 10 this year, falling from fifth last year. Huffy and Coleco also dropped off the Top 10.

Lego, among managers' top toy performers, was absent from consumers' Top 10.

However, three brands not listed by managers as Top 10 performers—Crayola, Parker Brothers and Tonka—were cited by consumers.

Consumers appear so connected to certain toy brands that only 46% of them said they would switch brands if they couldn't find the one they were looking for. That means 54% would skip the purchase.

Only 44% of toy shoppers were "sure" of finding exactly what they're looking for, down from 47% in 1990.

Overall, consumers gave retailers a mean confidence score of 7.35 in toys, based on a nine-point scale.

Consumer Brand Preferences In Toys				
Top Brands	Discount Shoppers	Kmart	Wal-Mart	Target
Mattel	32%	35%	30%	43%
Fisher-Price	19	19	16	15
Teenage Mutant Ninja Turtles	10	10	10	17
Nintendo	9	7	10	13
Milton Bradley	8	8	9	5
Crayola	5	6	4	5
Playskool	5	5	5	9
Little Tikes	4	5	6	2
Parker Bros.	4	5	3	—
Tonka	3	4	—	3

Source: DSN/Leo J. Shapiro & Associates

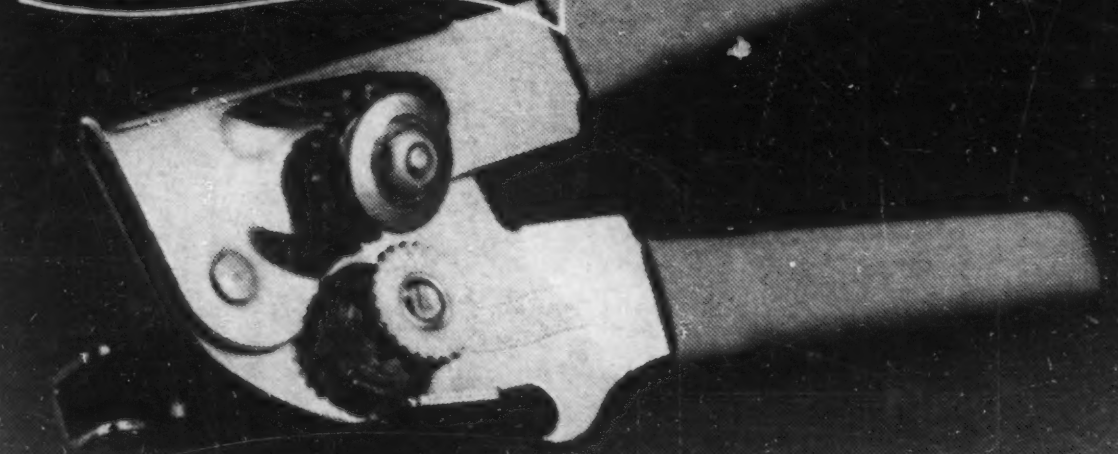
Top Toy Brands Store Manager vs. Shoppers	
Managers	Consumers
Fisher-Price	Mattel
Mattel	Fisher-Price
Playskool	Teenage Mutant Ninja Turtles
Little Tikes	Nintendo
Hasbro	Milton Bradley
Lego	Crayola
Milton Bradley	Playskool
Huffy	Little Tikes
Teenage Mutant Ninja Turtles	Parker Brothers
Nintendo	Tonka

Top 10 rankings in each category are based on discount store managers' response to the question: "What are your best performing brands in (department)?" and discount store consumers' response to the question: "If you were shopping for (product) in discount department stores, which brand of that product would you want?"

Source: DSN/Leo J. Shapiro & Associates

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TOP BRANDS: PART II

HARD LINES

Stationery Consumers Showing Less Brand Preference

With the huge assortment of high quality stationery products now available, consumers appear less committed to a specific brand than they were a year ago. Just 46% of stationery shoppers said they have a preferred brand in this category compared to 62% who said they had a brand preference in 1990.

Despite these results, shoppers in this survey did not express overwhelming support for private label or store brand stationery and voiced complete confidence that they can find exactly the products they are looking for at the discount store they shop at most.

Just 16% of stationery shoppers who expressed any type of brand preference said they prefer private label/store brand stationery products.

When asked to rate their confidence level of finding their preferred brands in their discount store, consumers

Consumer Brand Preferences In Stationery				
Top Brands	Discount Shoppers	Kmart	Wal-Mart	Target
Bic	30%	31%	30%	36%
Mead	26	25	30	30
Papermate	15	12	16	15
Hallmark	7	6	7	8
Scripto	5	6	4	7
Crayola	5	6	—	8
Pentel	3	2	3	3
Stewart Hall	3	—	5	3
Scotch/3M	2	2	—	—
American Greetings	2	2	3	4

Source: DSN/Leo J. Shapiro & Associates

gave stationery a mean score of 7.92 on a nine-point scale, higher than every other category except health and beauty care, which scored an 8.29.

Tempering these results is the fact that stationery shop-

pers are not loyal to specific brands. Nearly three-quarters (72%) of those surveyed said if they couldn't find the brand they were looking for, they'd switch to another label. Stationery received the high-

Top Stationery Brands Store Managers vs. Shoppers	
Managers	Consumers
Mead	Bic
Bic	Mead
Stuart Hall	Papermate
Cambridge	Hallmark
Papermate	Scripto
Pentel	Crayola
Scotch/3M	Pentel
Parker	Stuart Hall
Norcom	Scotch/3M
Hallmark	American Greetings

Top 10 rankings in each category are based on discount store managers' response to the question: "What are your best performing brands in (department)?" and discount store consumers' response to the question: "If you were shopping for (product) in discount department stores, which brand of that product would you want?"

Source: DSN/Leo J. Shapiro & Associates

est switch score of any merchandise category surveyed.

The two leading stationery brands in this survey were Bic

and Mead, the same as on DSN's Top Brands survey of store managers, except the brands were in reverse order.

Shoppers Stamp Hallmark a Top Brand

Greeting cards ranks third among the categories in which consumers are most likely to switch brands if they don't find the specific product that they want, with 62% of the discount store shoppers surveyed indicating that they would do so.

This predilection was one of the shopping sentiments that consumers voiced about the category in DSN's Top Brands Consumer Survey, which also showed that Hallmark remained the overwhelming favorite brand for greeting cards.

Overall, discount store shoppers' preference for brand name greeting cards jumped 11 percentage points to 62% in the latest survey. Interest in private label cards, meanwhile, dropped precipitously—the same 11 percentage points—as just 2% of those questioned expressing a desire for such merchandise.

But customer confidence in finding the brand they wanted in the discount store they shopped at most often was mixed, with only slightly more than half of those surveyed noting that they were certain that they would find the desired line of greeting cards.

These different attitudes about the category reflect two distinct facts—a greeting card's message is the determining factor in buying a card and there are few national brands to choose among, with only six lines cited by shoppers in the study.

While consumers overall wanted name brand merchandise, Wal-Mart shoppers showed the greatest preference (63%), followed by customers at Target (62%) and then Kmart (60%).

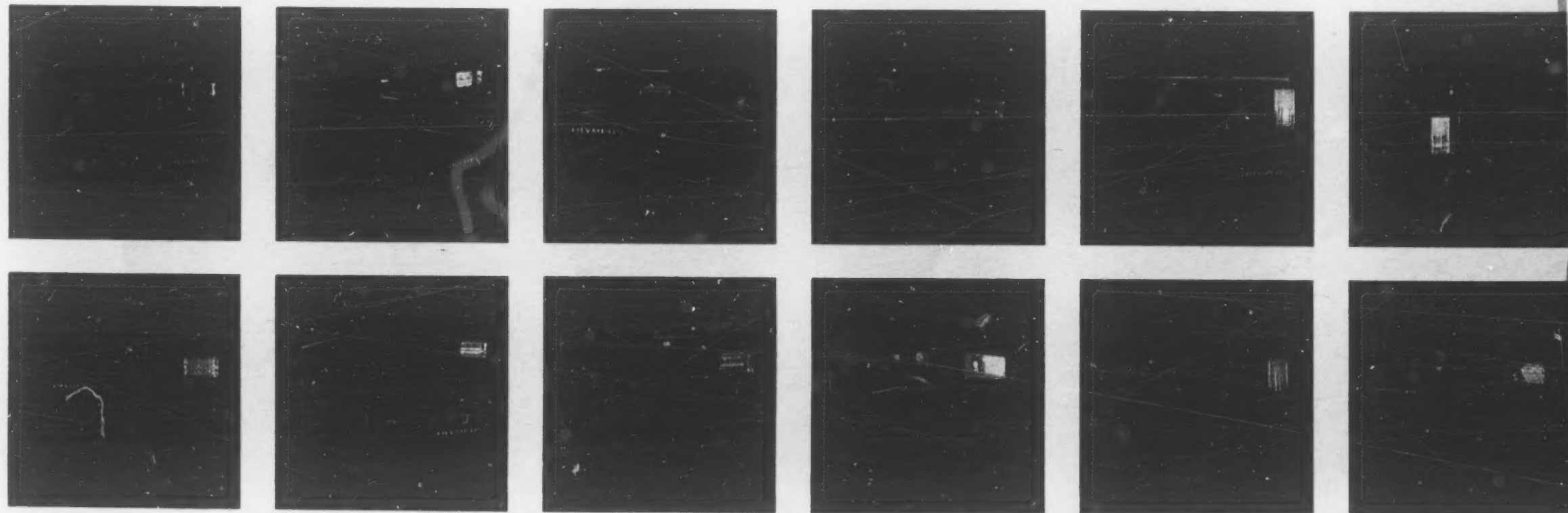
Consumer Brand Preferences In Greeting Cards				
Top Brands	Discount Shoppers	Kmart	Wal-Mart	Target
Hallmark	77%	79%	73%	80%
American Greetings	11	11	7	11
Sangamon	4	2	7	2
Shoe Box	3	3	4	6
Ambassador	3	4	4	6
Gibson	1	1	2	—

Source: DSN/Leo J. Shapiro & Associates

Top Greeting Card Brands Store Managers vs. Shoppers	
Managers	Consumers
American Greetings	Hallmark
Ambassador	American Greetings
Gibson	Sangamon
Sangamon	Shoe Box
Hallmark	Ambassador
	Gibson

Top 10 rankings in each category are based on discount store managers' response to the question: "What are your best performing brands in (department)?" and discount store consumers' response to the question: "If you were shopping for (product) in discount department stores, which brand of that product would you want?"

Source: DSN/Leo J. Shapiro & Associates



TOP BRANDS: PART II

HARD LINES

Top Food, Candy & Snack Brands
Store Managers vs. Shoppers

Managers	Consumers
M&M/Mars	Snickers
Frito-Lay	Hershey's
Planters	M&M's
Hershey's	Frito-Lay
Brach's	Lay's
Nabisco	Brach's
Sather	Keebler
Pepsi	Little Debbie
Little Debbie	Nabisco
Coke	Reese's

Top 10 rankings in each category are based on discount store managers' response to the question: "What are your best performing brands in (department)?" and discount store consumers' response to the question: "If you were shopping for (product) in discount department stores, which brand of that product would you want?"

Source: DSN/Leo J. Shapiro & Associates

Consumer Brand Preferences
In Food, Candy & Snacks

Top Brands	Discount Shoppers	Kmart	Wal-Mart	Target
Snickers	19%	17%	23%	16%
Hershey	10	10	9	11
M&M/Mars	10	10	9	18
Frito-Lay	8	9	8	15
Lays	7	7	8	2
Brach's	7	5	7	7
Keebler	6	7	7	5
Little Debbie	5	5	8	4
Nabisco	5	5	4	6
Reeses	5	5	6	4

Source: DSN/Leo J. Shapiro & Associates

Consumer Brand Preferences
In Health & Beauty Care

Top Brands	Discount Shoppers	Kmart	Wal-Mart	Target
Crest	14%	16%	17%	16%
Suave	12	14	17	14
Colgate	9	7	11	7
Head & Shoulders	7	8	8	4
Ivory	6	6	6	5
Clairol	5	5	5	6
Shulton Inc./ Old Spice	5	5	4	4
Dial	5	4	5	5
Johnson & Johnson	5	4	6	4
Right Guard	4	4	5	4

Source: DSN/Leo J. Shapiro & Associates

Top Health & Beauty Care Brands
Store Managers vs. Shoppers

Managers	Consumers
Crest	Crest
Colgate	Suave
McNeil Labs	Colgate
Johnson & Johnson	Head & Shoulders
Suave	Ivory
Listerine	Clairol
Procter & Gamble	Shulton Inc./Old Spice
Clairol	Dial
Scope	Johnson & Johnson
White Rain	Right Guard

Top 10 rankings in each category are based on discount store managers' response to the question: "What are your best performing brands in (department)?" and discount store consumers' response to the question: "If you were shopping for (product) in discount department stores, which brand of that product would you want?"

Source: DSN/Leo J. Shapiro & Associates

Shoppers Sure
They'll Find Top
Food Brands

The diversity of product in food, candy and snacks has kept consumers very confident they'll find the right brand to satisfy any craving.

In fact, shoppers gave food a mean confidence score of 7.78 on a nine-point scale, higher than every other merchandise area except health & beauty care and photo and camera, according to DSN's 1991 Consumer Brands Survey.

A year ago, food, candy and snacks scored a slightly higher 7.97 on the confidence scale. Perhaps the small decline in confidence is linked to the large and growing list of food, candy and snack items in the category and retailers' inability to carry everything. The large menu of available items has forced many retailers to choose only the best moving items.

But the overall high confidence rating in the category has meant that many food shoppers are more likely to be satisfied with the merchandise selection than are other shoppers. Therefore, when asked if they would switch brands or skip the purchase if they could not find their preferred brand, 56% said they would switch brands. Shoppers show little taste for private label goods.

Branded H&BC Items
Enhance Store Status

Discounters are right in their judgement that playing up name brands in health and beauty care gives them a chance to enhance their merchandising status while drawing customers.

H&BC ranked among the top four departments in which consumers had the strongest preferences for name brand merchandise, with 85% of those questioned noting a desire for a specific product. And shoppers had the most confidence they would find the products they wanted in a discount store.

The survey also showed that shoppers have little desire for private label H&BC products—only 3% indicated such an interest—and were as likely as not to skip making a purchase if they didn't find the brand they wanted.

The survey this year charted 72 brands, a 12.5% jump from the 64 specific products cited in last year's study. Also tracked were store brands and local labels but these weren't mentioned by name in the final tally.

While the preference for brands was strong among all discount consumers, Target shoppers showed the greatest preference (87%), followed by those at Wal-Mart (86%) and Kmart (84%).

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Sears Targeted By Shareholders Group

WASHINGTON — The United Shareholders Association named Sears as the only retailer among 41 major corporations that are the target of a nationwide campaign to upgrade shareholder rights.

USA, a non-profit shareholders group with over 64,000 members, wants Sears to make two specific changes: allow confidential proxy voting and opt out of state statutes that USA contends are anti-shareholder. Last year, Kmart was one of USA's targets. That effort saw the re-

tailer agree to put a time limit on its poison pill provision.

USA's drive at Sears is separate from the efforts of shareholder-rights activist Robert A.G. Monk, who said he would renew his fight to win a seat on Sears' board after failing to do so earlier this year (see DSN, May 20, page 2). Sears' \$2.8 million effort against Monk was the key factor in USA's decision to target the retailer.

The group is considering other changes it may push for at Sears, a USA executive said.

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Vol. 30, No. 20

October 21, 1991



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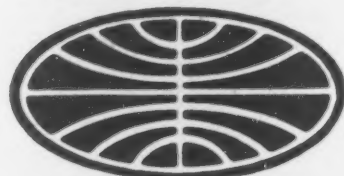
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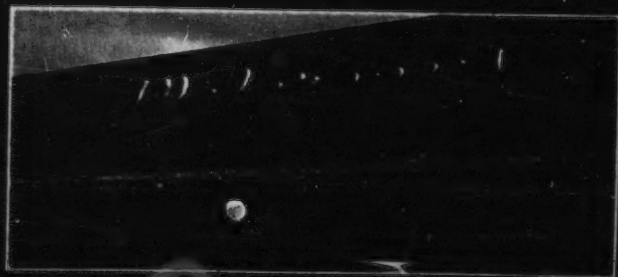
food merchandising

FOR NON-FOOD RETAILERS

Autumn 1991



WHERE CONSUMERS SHOP



FM's Annual Survey of
Consumers' Household Spending at
Discount, Drug and Warehouse Stores

A special supplement to
Discount Store News

Where Consumers Shop

Despite the efforts of discounters and drug stores to reap larger sales volume from their food areas, consumers still buy the lion's share of their household goods from grocery stores.

But one thing is certain: Americans today have more options than ever on where to go to buy their gro-



cery products.

They can go the traditional route and opt for a conventional or combination supermarket. For a quick stop, they can



frequent the convenience store. To save on big quantities, the family can make a trip to a wholesale club or hypermarket.

They can also fill many of their needs at a drug store or discount store. Over the last few years, both of these formats have extended food offerings in an attempt to lure more food customers.

To find out how consumer food grocery shopping habits are changing, Fairfield Research conducted a telephone survey of 200 households

in August 1991 for *Food Merchandising*. The survey has a 95% confidence level, according to the Nebraska-based research firm.

The FM/Fairfield study showed grocery stores are still the favored outlet for household needs. However, all outlets are receiving invigorated challenges from convenience stores. Drug stores and discounters—despite efforts to put a spike in food sales—showed small declines in frequency of shopping from 1990.

There are slight variations, however, based on the complexion of the household. Overall, households with children make slightly more shopping visits per month—and make more visits to convenience stores than do adult-only household shoppers.

Families with children also frequent discounters more than those without offspring. Adult-only households favor drug stores more than those with kids. Not surprisingly, when women are the primary shopper, they make more shopping visits (15.09) per month than male primary shoppers (14.57).

All food and snack categories tracked by Fairfield Research declined in indication of “ever buying” from 1990 to 1991 in discount stores. And all categories with the exception of packaged/dry groceries diminished in drug stores. Retailers attributed the slight increase in buying of packaged goods in drug outlets to the fact that drug stores have just started carrying the items.

Other factors in the selection equation include convenience of shopping locations, parking, price, staff and store cleanliness.

As far as discount stores, convenience was viewed as very important with the majority—60%—of people surveyed. Parking was also viewed as very important; 21% ranked it as somewhat important.

Price, however, will still bring people down the road a bit farther—75% indicated price was very important. And selection, too, can help overcome a poor location or scant parking. Just over 70% rated variety/selection as very important. And 78% put cleanliness and neatness at



Discount stores grabbed
 more than a share of
 household spending on
 candy & gum,
 pet food/accessories
 and soft drinks.

Where consumers shop for household products

	1991		1990	
	% Shopping Store	Mean Times/Month	% Shopping Store	Mean Times/Month
Grocery Store	98	7.36	99	6.94
Discount Store	77	3.08	81	3.33
Drug Store	72	2.67	70	2.94
Convenience Quick Stop	43	6.84	37	5.97
Warehouse club	29	1.41	26	2.46

Source: FM Consumer Study/Fairfield Research

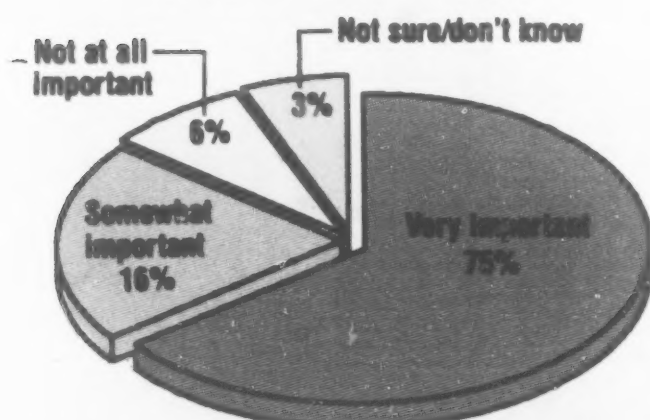
Average percent of total household purchases made at each type of non-grocery store

	Discount dept. store	Drug store	Warehouse club
Candy & gum	16.6%	3.0%	4.4%
Chips & snacks	7.6	0.3	4.3
Soft drinks	6.9	0.8	3.3
Other non-alcoholic Beverages	2.5	0.7	3.8
Pet foods/accessories	9.6	0.9	6.1
Alcoholic beverages	1.5	2.2	6.2
Packages/dry goods	3.0	0.4	6.3

Source: FM Consumer Study/Fairfield Research

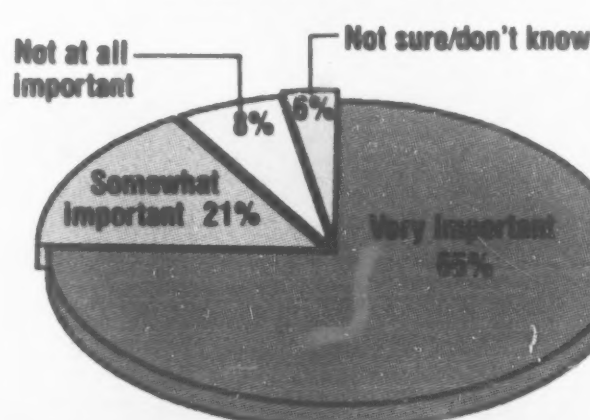
Importance of lowest price

In selection of which discount store to shop at



Importance of lowest price

In selection of which drug store to shop at



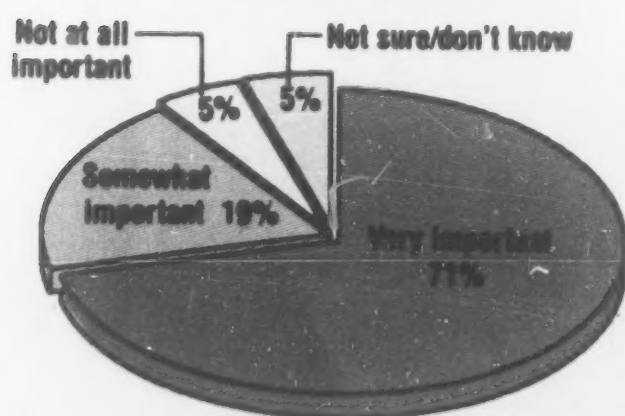
Source: FM Consumer Study/Fairfield Research



Warehouse clubs like Pace are grabbing a higher percentage of consumers' household shopping dollars.

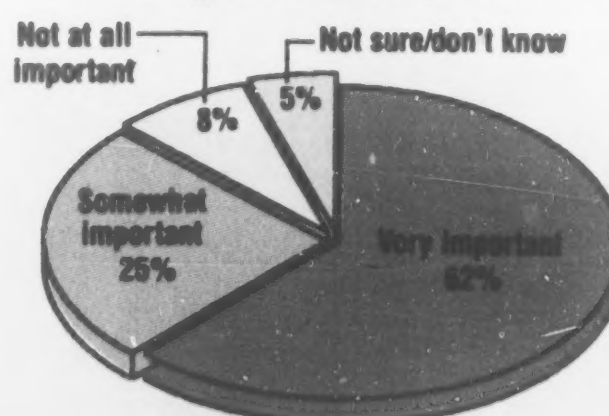
Importance of wide variety/selection

In selection of which discount store to shop at



Importance of wide variety/selection

In selection of which drug store to shop at



Source: FM Consumer Study/Fairfield Research

the top of the importance scale.

A helpful staff is always a boost. Seventy-five percent of shoppers rated help as an very important factor in deciding where to shop.

A relatively new issue—environmentally safe products—are rated very important by 58% and somewhat important by 28% in discount

stores, and by 53% as very important in drug stores. Households with children deem environmental issues as having greater importance than do adult-only households.

The statistics were similar for drug stores, although parking and price play a smaller role. Cleanliness and neatness plus friendly and

helpful staffs are proportionately more important to customers at drug stores.

Following are some key findings of each food classification studied.

Candy & gum: Discount stores are snaring a proportionately high share of candy and gum purchasing. Those responding to the survey indicate they buy about 16% of these items at discount stores. However, grocery stores dominate, with those surveyed saying they buy about 63% of their total candy and gum purchases at food stores. The research also suggests that discounters in the South and Midwest command a relatively strong candy and gum business against supermarkets.

Although candy accounts for hefty sales at drug stores, consumers do not select drug outlets as a major source for candy and gum purchases. As far as candy and gum sales in general, it is no surprise to find households with children are more likely to buy candy and gum (82%) than those without (74%).

According to the research, consumers appear to buy candy and gum on impulse. The majority of purchases—65.5%—made at discounters and 72% in drug stores are typically bought at the regular price vs. a sale.

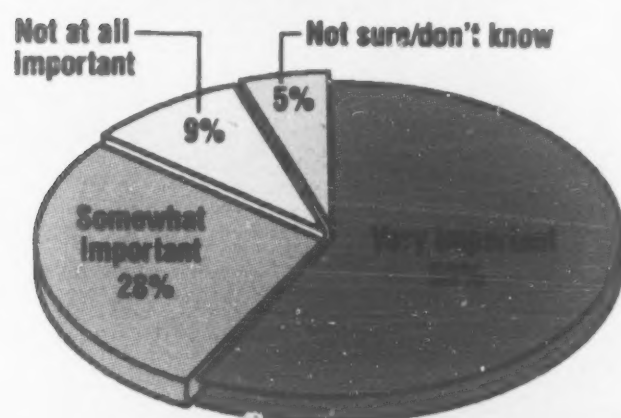
Chips & snacks: Almost 82% of consumers' chip and snack purchases are made in grocery stores, according to the study. Discounters' command about 7.6% of purchases and drug stores only 0.3%. Interestingly, chip and snack sales vary by region. Midwest households, for example, are more likely to purchase chips and snacks than those in other regions. Households with children have a higher incidence of picking up chips and snacks at a discount store than adult-only households.

Chips and snacks move faster on sale, the study suggested. Almost 62% of purchases in discount stores and 80% in drug stores are made on a promotion.

Soft drinks: Drug stores and discounters have added coolers, enlarged soft drink selections and advertised the category more than ever. Still, when consumers look for soft drinks, they still primarily select grocery stores, where on average, about 80% of soft drink pur-

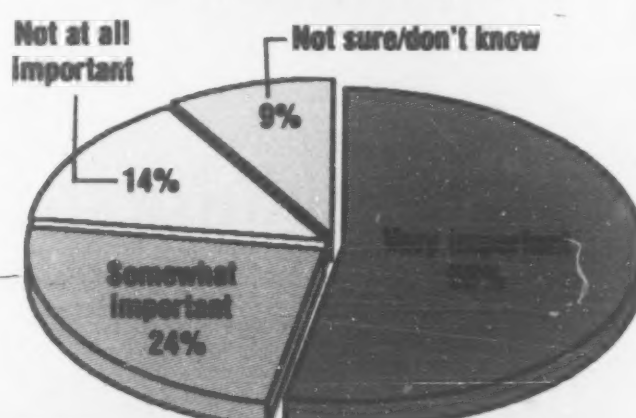
Importance of environmentally safe products

In selection of which discount store to shop at



Importance of environmentally safe products

In selection of which drug store to shop at



Source: FM Consumer Study/Fairfield Research

Demographics of food shoppers at non-grocery stores

	Discount dept. store	Drug store	Warehouse club
Residence City			
Suburbs	41.5%	39.1%	50.8%
Rural	29.2	30.0	28.0
HH Income			
Under \$20,000	27.9	30.0	21.0
\$20-30,000	17.5	17.4	12.2
\$30-40,000	20.1	20.2	19.2
\$40-60,000	20.7	15.3	22.8
\$60,000 plus	19.4	21.6	19.2
Region			
Northeast	0.1	0.1	17.5
South	18.1	19.5	0.1
Midwest	36.3	39.8	45.6
West	24.6	20.9	15.7
Female Shoppers	20.7	19.5	31.5
	76.6	79.7	82.4

Source: FM Consumer Study/Fairfield Research

chases are made. However, almost 7% of purchases are made at discounters, 0.8% at drug stores.

Convenience stores and warehouse clubs came up often—5.5% of purchases are made at convenience stores, 3.2% at warehouse clubs.

Middle to high income families—those earning in excess of \$30,000—are often more likely than those earning less than \$30,000 to pick up soft drinks at discount stores.

Not surprisingly, consumers are swayed by price promotions. Soft drinks were on sale 82% of the time customers purchased them.

Non-alcoholic beverages: More than any other food category, non-alcoholic beverages are bought at

supermarkets. Almost 90% of these purchases in households surveyed are procured at food stores. Part of the reason, buyers surmised, could be that most other retailers still don't carry these products.

Sales help to move non-alcoholic beverages. Most of the last five times consumers purchased non-alcoholic items they were able to purchase the item during a sale.

Garbage bags: Consumers think of discount stores when buying these. Roughly 20% of the bags are bought at discount stores, the study found. Warehouse clubs account for almost 8% of the average household's garbage bag purchasing.

Families earning between \$20,000

and \$30,000 had a higher tendency to buy garbage bags at discount stores. Drug stores represent only minimal purchasing incidences.

Laundry detergent: Score one for discounters in the laundry detergent category. Although 70% of total laundry sale purchases were at food stores, discounters accounted for almost 17%, the study revealed. Midwesterners in particular favored discount units.

People most often pick up laundry detergent when it is marked down, according to the survey. Almost 61% of the time it was purchased in discount stores, consumers indicated it was on sale; in drug stores it was more than 80%.

Pet foods: Warehouse clubs, in comparison to the percentage scored in other categories, shine in the pet foods/accessories category. Just above 6% of pet foods/accessory purchases are made at these mega-stores. Discount stores score a respectable 9.6% of household purchases; drug stores under 1%.

Pet foods aren't promoted too often, the survey suggested. For pet food and accessories, just over 80% of purchases made in discounters and 60% in drug stores by those surveyed recently cost the regular price.

Paper products: When people think of purchasing paper products, they often mention discount stores. In fact, those surveyed buy more than 20% of their paper needs at discount units. Warehouse clubs account for 7%.

Alcoholic beverages: There is potential for all food and non-food retailers to snare more sales of alcoholic beverages. The "other" classification, most likely liquor or packaged good stores, was singled out by consumers surveyed as where alcoholic items are bought.

Sales can help spur sales, however. The last five times purchased, 80% to 90% of the beverages were on sale, the study showed.

Packaged groceries: This was the one category where drug stores showed a slight increase. However, those surveyed reported only buying less than 1% of total household needs at a drug store.

Almost 90% of purchases of packaged groceries are made at grocery stores.